ALBERTA LEARNING

The best learning system in the world

Annual Report 2003/2004

Alberta
LEARNING

Extracts from this report are available
on Alberta Learning's website on the Internet
at www.learning.gov.ab.ca/annualreport/

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2. Preface

Public Accounts 2003/04

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 2004 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Learning contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry including the Department of Learning and the Alberta School Foundation Fund for which the Minister is responsible;**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report, and**
- **financial information relating to accountable organizations and trust funds which includes the Alberta Teachers' Retirement Fund, school authorities in the public education system (public and separate school boards and charter schools), the universities, technical institutes, public colleges and the Banff Centre for Continuing Education.**

3. Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2004 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 10, 2004 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Dr. Lyle Oberg
Minister of Learning

4. Minister's Message

I am pleased to present Alberta Learning's 2003/04 Annual Report. The report highlights the department's strategies and outcomes that create an outstanding learning system for all Albertans.

This past year, the Government of Alberta released its 20-year strategic plan. Learning is integral to each of the plan's four pillars, which highlights the importance of our learning system in ensuring prosperity and high quality of life for Albertans. The *Leading in Learning* pillar in particular recognizes learning as a key driver of the success of Albertans and our province.

Alberta's Commission on Learning confirmed that the province already has an excellent basic education system, but that we must continue to build on our success to meet the changing needs of learners, society and the economy. Government responded by accepting the vast majority of the 95 recommendations, including class size guidelines and additional funding for hiring more teachers. Many of the commission's recommendations support work that was already underway within government and among school jurisdictions. The department is currently working with stakeholders to implement the recommendations that were accepted.

One of the department's important achievements this past year was the development of the second-language learning programs of study, implementation guides and resources. Beginning in 2006/07, Alberta students in grades four through nine will be required to study one of a variety of languages. Not only will learning a second language give Alberta students a competitive edge in the job market, it will help them develop their overall literacy skills.

In 2003/04, the department focused resources on the development of a daily physical activity initiative and the redevelopment of the social studies curriculum. Daily physical activity will be phased in over three years, and will increase student activity levels and healthy behaviours. The new social studies program will be launched in 2005, with an increased focus on Canadian and Alberta history, citizenship, and aboriginal culture and perspectives.

Another outstanding accomplishment this year was the proclamation of the *Post-secondary Learning Act, 2003*. This new legislation further supports the principles of Campus Alberta – enhancing a system that is accessible, flexible and responsive regardless of where a student chooses to learn. It defines the future of our post-secondary system, providing students with increased access to opportunities to complete degrees and greater flexibility for institutions to respond to student needs.

Our apprenticeship training programs play an increasingly important role in meeting the demands of the Alberta economy. In 2003/04, we responded to industry needs by providing additional funding to enhance programs and increase technical training classes to meet the need for skilled tradespeople.

In cooperation with the federal government, we launched two joint initiatives to attract more foreign students to Alberta and to extend existing measures to draw more skilled immigrants to the province. As well, the department worked with over 40 stakeholders to develop a strategic framework for integrating skilled immigrants into our economy.

Alberta continues to be recognized as a world leader because of the success of our learning system. This past year the department was invited to share our expertise with a number of European countries that are reviewing their education systems. We also continue to collaborate with countries that are using Alberta's expertise in apprenticeship and industry training to model their own programs.

Leading in Learning means providing Albertans with the opportunities they need to develop new knowledge and skills. Albertans know that in addition to helping them achieve their personal goals, education is important to the success of our province. Our continued commitment to having the best learning system in the world leaves us well positioned to meet the needs and expectations of Albertans.

Dr. Lyle Oberg
Minister of Learning

5. Management's Responsibility for Reporting

The Ministry of Learning includes:

- the Alberta School Foundation Fund
- the Department of Learning

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Learning. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Learning any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Maria David-Evans
Deputy Minister
Alberta Learning

6. Overview

Introduction

In 2003/04, Alberta Learning continued to build on its strong foundation to provide the best possible lifelong learning system for Alberta.

Alberta Learning's vision, mission, principles and values define the Ministry. Together, the Ministry's vision and mission present Alberta's view of the future for learning and how it will be realized. The principles identify the Ministry's approach to conducting its business, and the values demonstrate the beliefs or traits that guide Ministry actions.

In 2003/04, the Ministry's vision was renewed and restated while the mission, principles and values were re-confirmed.

Vision:

The best learning system in the world.

Mission:

Alberta Learning, through its leadership and work with stakeholders, ensures that learners are prepared for lifelong learning, work and citizenship so they are able to contribute to a democratic, knowledge-based and prosperous society.

Principles:

Learner Centred – The lifelong learning system is focused on the learner.
Accessible – Albertans have access to affordable, quality learning opportunities.
Collaborative – Learning is a lifelong human endeavor that best occurs when partners and stakeholders work together to provide a holistic approach and a supportive environment.
Accountable – The learning system is accountable to Albertans for quality results, system sustainability, and fiscal responsibility.
Responsive – The learning system is flexible and meets and anticipates learner needs.
Innovative – The learning system demonstrates leading edge innovation for improved results.
Equitable – Albertans have equitable access to lifelong learning opportunities.

Values:

Respect, Integrity, Trust, Openness and Caring.

The Ministry continues to play a key role in promoting Cross-ministry Initiatives. These are priorities established by the provincial government each year that transcend the mandate of individual Ministries. Alberta Learning contributed to government's priority policy initiatives:

- Health Sustainability Initiative
- Aboriginal Policy Initiative
- Economic Development Strategy
- Alberta Children and Youth Initiative.

The Ministry also contributed to the key administrative priorities:

- Alberta Corporate Service Centre (ACSC)
- Corporate Human Resource Development Strategy
- Corporate Information Management/ Information Technology Strategy
- Service Alberta Initiative.

The Ministry worked with our partners on a number of these Cross-ministry Initiatives, and in particular co-led work on the Economic Development Strategy and the Alberta Children and Youth Initiative.

In 2003/04, Alberta Learning maintained its emphasis on the achievement of results. To focus the learning system's efforts more effectively, the goals were consolidated from five to three in the 2003-06 Business Plan. The Ministry's performance and accomplishments are provided on the pages that follow, organized by the three goals of the 2003-06 Business Plan:

- High Quality Learning Opportunities for All
- Excellence in Learner Outcomes
- Highly Responsive and Responsible Ministry.

Ministry performance for 2003/04 is highlighted on page 7. Performance results are presented in more detail in the Results Analysis section starting on page 16, including factors affecting performance. The Ministry's accomplishments for the year are highlighted on pages 8-9 and summarized in Section 9, starting on page 192. Ministry spending is highlighted on page 10 and described in more detail starting on page 39.

Opportunities and challenges are discussed in Looking Ahead, starting on page 45.

Highlights: Performance at a Glance

2003/04 Ministry core measures performance is compared to results for the base year, which is over five years, or for new measures, the first year data are available. Results are summarized below and presented in more detail in the Results Analysis (pages 18-38). Targets are considered met if the result is within 95% of the target value, except for provincial achievement tests, whose targets are considered met if the result is within 0.4% of the target. The confidence interval is taken into account in assessing change over time on survey measures (see Endnotes A and B on pages 203-209 for a more detailed explanation of target assessment and use of confidence intervals). Unless otherwise noted, targets are for 2003/04.

Outcomes	Core Measures Results
Goal One: High Quality Learning Opportunities for All	
The learning system meets the needs of all learners, society, and the economy.	√ Public satisfaction with the overall quality of basic education increased to 71%. √ The percentage of recent apprenticeship graduates satisfied with their on-the-job training increased to 93%.* (Biennial survey last conducted in 2002/03.) √ The percentage of recent apprenticeship graduates satisfied with their technical training increased to 95%.* (Biennial survey last conducted in 2002/03.) √ 79% of recent post-secondary graduates are satisfied with the overall quality of their education.
All Albertans can participate in quality learning.	= A substantial majority (72%) of the public remains satisfied that most adults have access to the education or training they want.*
The learning system is affordable. Financial need is not a barrier to learners participating in learning opportunities.	↓ 50% of the public agrees that the learning system is within the means of most Albertans.
Goal Two: Excellence in Learner Outcomes	
Learners demonstrate high standards.	√ Overall results at the standard of excellence on provincial achievement tests reached 19.6% for all students and 21.7% for students writing. ↑ Overall results at the acceptable level on achievement tests for students writing improved over time, reaching 85.6% in 2002/03 (overall results in 2003/04 are not comparable to prior years). ↓ Overall results at the acceptable level on achievement tests for all students in grade declined from 77.6% 1999/2000 to 76.8% in 2002/03 (overall results in 2003/04 are not comparable to prior years). ↑ Students achieved provincial expectations on a larger portion of diploma examinations in 2002/03 and 2003/04 than in prior years.*
Learners complete programs.	√ The high school completion rate within 5 years of entering grade 10 rose to 75%. √ The percentage of apprentices completing programs increased to 76%. ↓ A majority of Alberta post-secondary students complete their programs: 61% for universities and 59% for colleges and technical institutes.** √ High school completion of Alberta 25-34 year-olds remains high at 89%. √ The percentage of Alberta 25-34 year-olds who complete post-secondary programs increased to 57%.
Learners are well prepared for lifelong learning.	↑ The percentage of students who participated in Early Childhood Services programs prior to Grade 1 increased to 96%.** √ The percentage of the public who are satisfied that adult learners are well prepared for lifelong learning increased to 77%.
Learners are well prepared for employment.	↑ The employment rate of Alberta high school graduates aged 25-34 rose to 84%.* = The employment rate of Albertans aged 25-34 who completed post-secondary certificate/diploma programs remains high at 86%.* = The employment rate of Albertans aged 25-34 with a university degree is high and stable at 88%.*
Learners are well prepared for citizenship.	√ Public satisfaction that high school students are well prepared for citizenship rose to 61%. √ The percentage of the public satisfied that adult learners are prepared for citizenship has increased to 66%.
Goal Three: Highly Responsive and Responsible Ministry	
Improved results through effective working relationships on Cross-ministry Initiatives and with stakeholders.	√ The percentage of cross-ministry partners and learning system stakeholders who agree that Alberta Learning staff are collaborative has increased to 89%.
The Ministry demonstrates leadership and continuous improvement.	√ The percentage of partners and stakeholders who agree that Alberta Learning staff are responsive and flexible has risen to 87%.

Target Met: √ Target Not Met or No Target: Improved results: ↑ No change: = Performance decline: ↓

* No target set for 2003/04. ** Proxy measure, no target set.

Highlights: Key Accomplishments

Goal 1: High Quality Learning Opportunities for All

- Introduced Bill 25, the *School Amendment Act* and Bill 26, the *Teaching Profession Amendment Act*, the government's response to recommendations of Alberta's Commission on Learning related to the teaching profession.
- Passed and proclaimed Bill 43, the *Post-secondary Learning Act* 2003, combining and updating the *Universities Act*, the *Colleges Act*, the *Technical Institutes Act* and the *Banff Centre Act*, to improve access to post-secondary degree opportunities.
- Completed consultations and established regulations for the Campus Alberta Quality Council, which will facilitate the development and expansion of degree-granting opportunities for learners.
- Accepted the vast majority of the 95 recommendations in the Alberta Commission on Learning report on the K-12 system, and developed implementation plans for the accepted recommendations.
- Enhanced on-line access to post-secondary education and created spaces for 692 more students at Alberta's post-secondary institutions in the fields of health sciences, Aboriginal teaching, and management, through a $30 million increase to the Access Fund.
- In response to industry needs, provided $20 million to post-secondary technical training providers to maintain an additional 5,780 apprenticeship spaces and enhance technical training equipment and facilities.
- In consultation with over 40 stakeholders, developed a strategic framework for integrating skilled immigrants into the Alberta economy.
- Added an additional 400 nominations for skilled immigrants to the Provincial Nominee Program, allowing Alberta to nominate a total of 800 candidates over the course of the agreement.
- Collaborated with representatives from Bermuda's government and industry to help them develop a national certification system based on Alberta's apprenticeship and industry training model.
- Signed a Memorandum of Understanding with the National Energy Skills Centre Trinidad and Tobago to formalize the relationship with Alberta Learning with respect to the development of industry standards and training and certification for worker mobility.
- Signed Memoranda of Understanding with Saxony (Germany), Denmark, Vietnam and China to assist in enhancing their learning systems.
- Launched a pilot project to fast-track the processing of study permit applications and attract more international students to Alberta.
- Implemented strategies to address the goals of the Renewed Vision for the K-12 Curriculum, focusing on areas relating to primary programs (K-3), daily physical activity, second language learning and Individualized Learning Career Pathways.
- Approved a new language initiative to make learning a second language a requirement for students in Grades 4 to 9. Beginning in 2006/07, Alberta students in Grades 4 to 9 will study one of Chinese, Cree, French, German, Japanese, Punjabi, Spanish or Ukrainian.
- Held consultations with over 400 stakeholders on the Daily Physical Activity Initiative, which will be phased in over 3 years to increase student activity levels and healthy behaviours, with mandatory implementation for Grades 1-9 in September 2005 and for high school in September 2006.
- Initiated a collaborative exchange relationship between Alberta and the state of Jalisco, Mexico to support second language learning.
- Redeveloped the social studies curriculum, with an increased focus on Canadian and Albertan history, citizenship, and First Nations, Métis and Inuit cultures. The revised curriculum will be implemented beginning in 2005 with Kindergarten to Grade 3.
- Enhanced the web interface of the Science 9 e-text in response to feedback from teachers, students and parents.
- Trained 57 additional school teams and 88 coaches in using the Effective Behaviour Supports (EBS) process for a total of 249 school teams and 121 coaches since the introduction of EBS in 2001/02.
- Updated the Alberta Initiative for School Improvement Clearinghouse website with a series of new promising practices from school jurisdictions.
- Invested an additional $20 million to support pre-school and Kindergarten children with special needs, to accommodate the increased number of students returning to complete or upgrade Grade 12 and to provide educational supports for students in institutional programs such as group homes and treatment centres for youth.
- Renewed a five-year Memorandum of Agreement with the five teacher preparation institutions in Alberta under the Memorandum of Agreement, deans confirm to the Minister that graduates have the required knowledge, skills and attributes for interim certification.
- Implemented Technology Standards and Solutions: established standards for videoconferencing.
- Developed the Content Delivery Device to support learning system use of LearnAlberta.ca.
- Began implementing outcomes and measures for the K-12 learning system as defined by the Review Committee on Outcomes in provincial surveys of parents, high school students, teachers and the public.
- Released high school dropout and returning rates to school jurisdictions and the public for the first time.
- Completed draft tests for field validation of the Grade 9 Integrated Occupational Program.
- In response to stakeholder expectations for a written component in all diploma examinations, re-designed the Mathematics and Science diploma examinations to include a separate written response portion.
- Began implementing a methodology to ensure diploma examinations are comparable from year to year, starting with Social Studies.
- Launched the Beyond MIRS (Management Information Reporting Schedules) Pilot Project with six school boards to assess the usefulness of grade level achievement data for program evaluation at the classroom, school, jurisdictional and provincial levels.

Goal 2: Excellence in Learner Outcomes

- Passed Bill 1, the *Alberta Centennial Education Savings Plan Act*, which sets the stage for a new program to encourage parents to open a Registered Education Savings Plan (RESP) for their children with a $500 per child investment from government, as of January 1, 2005.
- Continued to infuse the Aboriginal perspective into English Language Arts, Health/CALM/Physical Education, Mathematics, and Science programs.
- Supported the implementation of the First Nations, Métis and Inuit School-Community Learning Environment Project with 16 pilot school jurisdictions to improve the success of FNMI learners attending provincial schools by increasing attendance, retention, achievement and high school completion.

- Developed the Student Guide for Aboriginal People and the Guide for Counsellors and Educators and distributed them to more than 1,346 schools and counseling centers.
- Provided over $22.2 million in scholarships from the Alberta Heritage Scholarship Fund to over 10,600 students, an increase of over 5% from the previous year.
- Issued over $14.9 million in Achievement Scholarships to over 12,700 Alberta post-secondary students, an increase of over 10% from last year.
- Provided approximately $84.4 million in loan relief benefits and completion payments to reduce student debt levels.
- Awarded $10 million in Performance Envelope funding to 24 post-secondary institutions in recognition of outstanding performance in areas such as graduate employment and satisfaction, increasing accessibility, reducing administration expenditures and generating enterprise revenue.
- Established a new Tuition Fee Policy to ensure predictable and manageable tuition fee increases at post-secondary institutions.
- Completed 89% of the 66 recommendations identified in the three-year Special Education Review Implementation Plan.
- Recognized and rewarded 50 of Alberta's Registered Apprenticeship Program (RAP) students with $1,000 Scholarships.
- Awarded Alberta Apprenticeship and Industry Training Scholarships (valued at $1,000 each) to 168 apprentices.
- Implemented an Apprenticeship Tuition Fee Policy and monitoring system to ensure that technical training costs are predictable and manageable for apprentices while at the same time maintaining high quality and up-to-date training.
- Generated 71% of Interprovincial Standards (Red Seal) examinations through the apprenticeship Interprovincial Computerized Examination Management System (ICEMS), which improves the efficiency of Red Seal trade examinations across Canada.
- Provided interprovincial mobility for tradespersons by issuing trade certificates with Red Seals to 3,828 completing apprentices, an increase of 5% over the previous year.
- Worked with learning stakeholders, industry and Aboriginal organizations to increase Aboriginal awareness and participation in the apprenticeship and industry training system. As of March 30, 2004 there were 688 registered Aboriginal apprentices.
- Signed an agreement with the Northwest Territories to provide evaluation services to individuals with international educational credentials.
- Supported community programs which helped 48,316 participants address a personal learning goal, or work to improve their basic literacy, English as a second language or employability skills through Community Adult Learning Councils and volunteer tutor adult literacy programs.
- Expanded access to learning opportunities in rural communities, through Community Adult Learning Council Initiatives, resulting in an additional 6,359 participants in 491 learning opportunities.
- Engaged over 6,500 parents and over 7,000 preschool children in family literacy activities through 53 projects of the Parent-Child Literacy Strategy.
- Developed the methodology for a high school to post-secondary transition rate as a new core measure for the 2004-07 Business Plan.

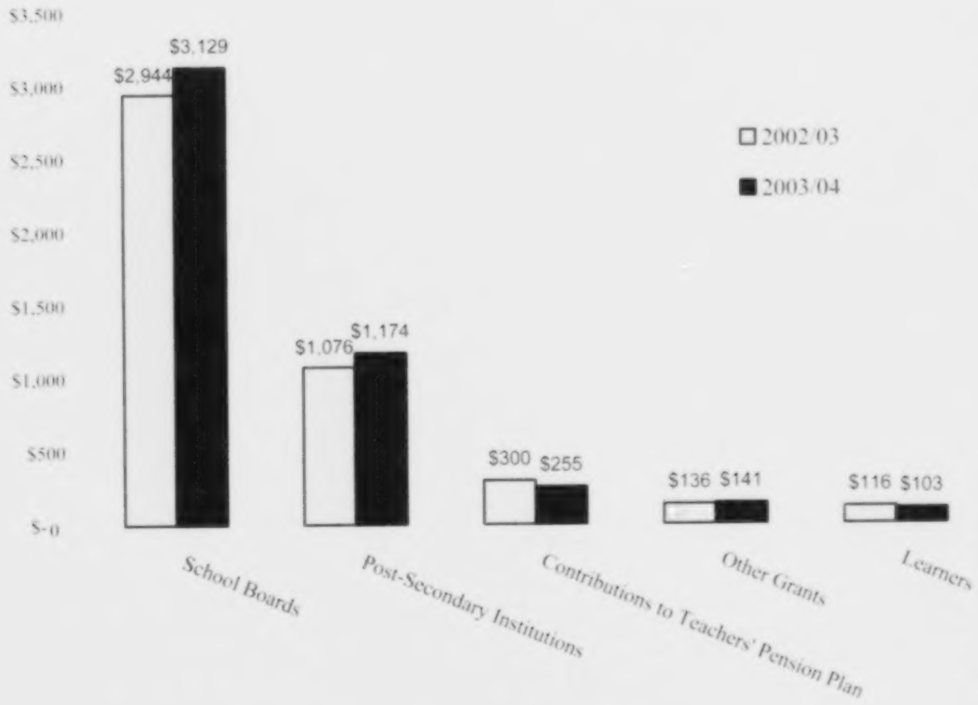
Goal 3: A Highly Responsive and Responsible Ministry

- Acted on the recommendations of Alberta's Commission on Learning by providing $37 million for increases in funding for students with severe special needs, a return to credit-based funding for Grade 10 students, and other costs identified by the Commission.
- Led and supported activities to promote standardization, recognition and mobility of trades across Canada through the Canadian Council of Directors of Apprenticeship (CCDA), Interprovincial Alliance of Apprenticeship Board Chairs (IPA), the Interprovincial Computerized Examinations Management System (ICEMS) and the Canadian Apprenticeship Forum (CAF).
- Consulted with stakeholders on the development of the funding profiles and the Accountability Pillar to set the stage for implementing the Renewed Funding Framework.
- Launched the Accountability Pillar for the K-12 system, including provincial surveys of school board members, Grade 4, 7 and 10 students and their parents and teachers. In total more than 270,000 surveys were distributed.
- Developed the Rutherford Scholarship measure for school jurisdictions as part of the Accountability Pillar.
- Supported government Cross-ministry Initiatives, providing a leadership role in the Alberta Children and Youth Initiative and the Economic Development Strategy and making value added contributions to the Health Sustainability Initiative, Aboriginal Policy Initiative, Service Alberta, Information Technology Strategy, Alberta Corporate Service Centre and the Human Resource Development Strategy.
- Worked with the Alberta Home and School Councils' Association (AHSCA) to raise parental awareness about planning for post-secondary studies.
- Processed over 144,000 applications for student loans, scholarships and loan relief payments, an increase of 15.7% applicants.
- Launched the inaugural year of the Student Funding Contact Centre in collaboration with Alberta Human Resources and Employment, to provide information and support about financial assistance programs for further education and training.
- Developed recommendations in collaboration with the federal government and the Council of Ministers of Education, Canada (CMEC) for improvements to student financial assistance, promoting accessible and affordable post-secondary education.
- Worked in collaboration with other provincial and territorial ministries on the Pan-Canadian Online Learning Portal, which was officially launched by the CMEC. Approval was given by Ministers to fund further work on the portal.
- Led a collaborative initiative of the CMEC to develop a Pan-Canadian broadband connectivity plan and to introduce the Pan-Canadian Assessment Program as a replacement for the School Achievement Indicators Program.
- Provided $30 million to post-secondary institutions in one-time operations and maintenance funds.
- Worked with industry partners and other government departments to forecast employment demand and supply in the trades.
- Started collaborations with the Construction Sector Council and other partners to develop construction supply and demand information regionally and across the country.
- Approved the cross-ministry *Policy Framework for Services for Children and Youth with Special and Complex Needs and their Families*. Provided cross-sector and ministry orientation sessions on the *Framework and Information Sharing Guideline* to over 400 participants.

Financial Highlights

Ministry Grants

(In millions)



Grants account for 94% of the Ministry's expenses and are categorized as follows:

Grants to School Boards include instruction grants, as well as support for Early Childhood Services, Student Health Initiative, and Provincial Initiatives, specifically the Alberta Initiative for School Improvement.

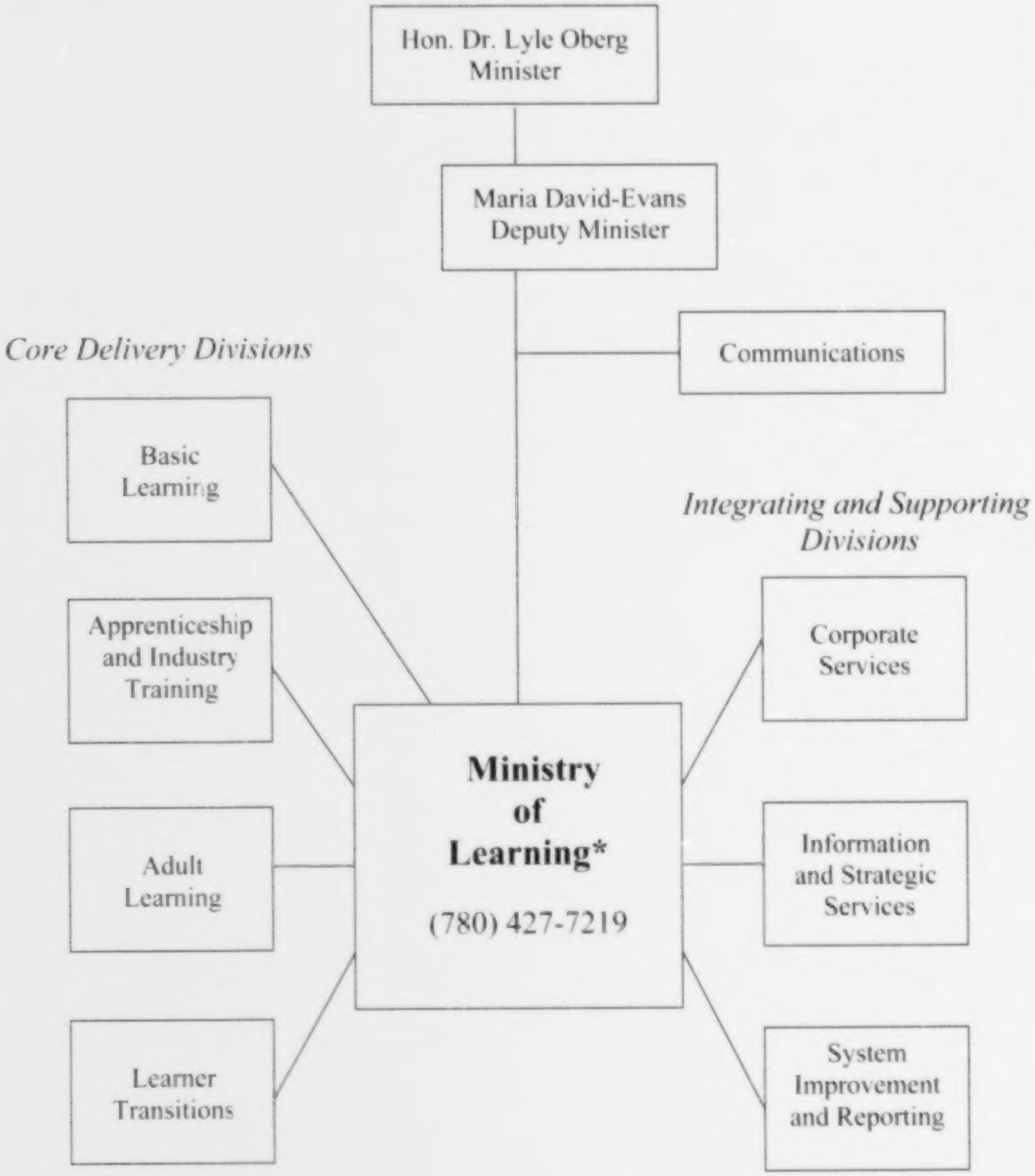
Support to Post-secondary Institutions includes operating grants and grants to improve the accessibility of post-secondary learning.

Contributions to the Teachers' Pension Plan include grants for both current and past service. These grants are lower this year due to a one-time pension contribution on behalf of teachers in 2002/03 towards the unfunded pension liability.

Other Grants include financial assistance to private schools for Early Childhood Services and Grades 1-12 instruction, as well as grants to other areas including community education and learning television.

Grants to Learners consist of funding to post-secondary students based on achievement and need, including scholarships and maintenance grants. As the Ministry implemented automatic remission for student loans, a reduction in the liability for student loans issued resulted in a reduction in overall costs.

Ministry of Learning Structure



*Includes:

- Department of Learning
- Alberta School Foundation Fund

Operational Overview: Ministry of Learning

The Ministry of Learning is comprised of two entities: the Alberta School Foundation Fund and the Department of Learning.

ALBERTA SCHOOL FOUNDATION FUND

The Alberta School Foundation Fund receives tax revenues from municipalities based on:

- the equalized assessment of real property in Alberta; and
- education mill rates established by the Lieutenant Governor in Council.

These monies, along with those from provincial General Revenues, are allocated on a fair and equitable basis to school boards.

DEPARTMENT OF LEARNING

Learners are the central focus of the Ministry. Each year, about 750,000 Albertans, from preschoolers to seniors, access the learning system. In order to focus on their varied needs, the Ministry leads a learning system that continually adapts to learner circumstances. It allows learners to move easily between school and the workplace, between high school and post-secondary learning and among post-secondary institutions across the province.

Core Businesses

In 2003/04, the Ministry continued to support Alberta's learning system through three core businesses.

1. **Basic learning**

- Establish and evaluate curriculum standards
- Develop learning resources
- Certificate teachers
- Support students with diverse needs
- Fund and support school authorities
- Approve and monitor schools and programs
- Conduct investigations and appeals

2. **Apprenticeship and industry training**

- Develop program standards with industry
- Counsel apprentices and employers
- Provide funding for approved programs
- Certify individuals in designated trades and occupations

3. **Adult learning**

- Fund post-secondary learning providers
- Provide student financial assistance to Albertans
- Coordinate and approve programs of study at public institutions
- License and accredit programs offered by private providers
- Fund, support and provide community adult learning opportunities
- Evaluate credentials of new Albertans for learning and employment opportunities
- Provide information to and support for the adult learning system

Ministry Division Descriptions

Reflecting core businesses, the Ministry of Learning is organized into core delivery divisions and integrating and supporting divisions. Each division provides specific expertise to the learning system. All divisions share responsibility for providing integrated service by partnering with one another, as well as with other Alberta ministries, school authorities, post-secondary institutions, adult learning providers, stakeholder organizations and industry. During 2003/04, the Learner Transitions sector was created from branches formerly part of other Alberta Learning divisions. This new sector was formed to focus on initiatives that support and promote successful transitions for learners within the learning system, and between the learning system and other areas.

Core Delivery Divisions

Alberta Learning's three core program divisions, Adult Learning, Apprenticeship and Industry Training, and Basic Learning, along with the Learner Transitions sector, provide learning services and standards for the learning system. The divisions and sector work closely with each other and with their partners in other ministries to ensure program continuity and smooth transitions for learners. Alberta Learning's core program divisions and sector support the Ministry's core businesses.

Basic Learning Division works with the province's school authorities and early childhood services (ECS) operators to support learners up to Grade 12. This includes programs for preschool and school-age children that contribute to laying the foundation for lifelong learning for all Alberta's children. The division:

- develops and revises K-12 programs of study to ensure they are relevant and responsive in meeting the learning needs of Albertans;
- selects and develops learning and teaching resources that support effective and efficient classroom instruction;
- ensures that Alberta's teachers are certificated and equipped with the knowledge, skills and attributes needed to support students in meeting standards set by the Minister;
- works with school authorities to enhance, provide access to, and support the development and implementation of programs for students with diverse learning, linguistic, or cultural needs;
- develops and implements programs, policies, regulations and legislation that further the capacity of school authorities to meet the learning needs and learning choices of Albertans;
- monitors public, separate, francophone, charter and private school authority education plans and annual reports, and approves First Nations, private and charter schools; and
- conducts investigations, reviews and hearings to ensure an open, fair and effective learning system.

Phone: (780) 427-7484

Apprenticeship and Industry Training (AIT) Division works with industry, employer and employee organizations, technical training providers, government and ministry divisions to support the development, maintenance and delivery of designated trade and occupation programs. These programs:

- contribute to the development of a trained and skilled workforce, which supports the economic progress of the province and its competitive role in the global market;
- respond to current technological advancements and workplace needs; and
- support labour mobility through continued development of interprovincial standards and certification programs.

AIT works with the Alberta Apprenticeship and Industry Training Board, industry and others to ensure:

- high school and adult apprentices receive on-the-job training, work experience and technical training to acquire skills in designated trades;
- standards are developed in consultation with industry for technical training and industry examinations;
- technical training for apprentices is scheduled;
- long-term training needs are identified;
- institutions offer training in response to industry needs;
- records of apprentice contracts and their progress in the program are maintained; and
- the workplace is monitored for compliance with the *Apprenticeship and Industry Training Act* and regulations.

Phone: (780) 427-4601

Adult Learning Division works with adult learners, and public and private post-secondary institutions to support learners, provide learning opportunities and enhance the adult learning system. The division:

- provides funds to public institutions through operational and conditional funding;
- administers the delivery of federal and provincial student funding programs, providing information and issuing awards to students applying for loans, grants and bursaries;

- encourages and rewards excellence through scholarships and awards;
- approves programs and mandates for public post-secondary institutions;
- facilitates course and program transfer agreements within the post-secondary system;
- licenses vocational programs offered by private institutions and develops recommendations in response to requests from non-resident institutions seeking to offer degree programs in Alberta;
- approves degree programs offered by private institutions;
- provides planning, coordination and policy support to adult learning providers; and
- provides information on the adult learning system to the public.

Phone: (780) 427-5607

Learner Transitions identifies, supports and promotes initiatives that remove or bridge barriers in the learning system to enable successful transitions for learners. The sector:

- leads and supports business plan goals that relate to the barrier-free movement of learners into, within and out of the Alberta learning system;
- provides learning opportunities through immigrant settlement, English as a Second Language, community adult learning and literacy programs;
- works with Alberta Learning stakeholders to increase awareness and participation of under-represented groups in the Alberta learning system;
- develops standards and guidelines for evaluation of foreign credentials, promotes best practices in foreign credential recognition, and provides high quality support and assessment services to new Albertans and potential foreign workers; and
- works collaboratively with other ministry partners to integrate, enhance, develop, implement and evaluate cross-ministry initiatives for children, youth and their families. **Phone: (780) 422-8911**

Integrating and Supporting Divisions
These divisions provide services that focus on Ministry-wide operations and facilitate integration and accountability across all divisions and the learning system.

Corporate Services Division fosters system and fiscal accountability. The division:

- provides guidelines on financial reporting and financial advisory services to Ministry-funded school authorities;
- manages the collection, critical evaluation and analysis of school authority budgets and audited financial statements;
- assists school authorities with their student transportation issues;
- funds school authorities;
- develops, produces and distributes learning resources;
- develops and implements the Ministry's human resource planning initiatives, policies and programs;
- develops budgets for the Ministry business plan, monitors budget compliance; and
- oversees Ministry administration, corporate records management, and financial and legal services.

Phone: (780) 427-2051

Information & Strategic Services (ISS) Division provides ministry-wide policy options and policy research; planning and consultation processes; information management and technology services; and direction for effective use of technology throughout the learning system. The division:

- develops policy positions, options and responses; coordinates international education, immigration and federal/provincial policy; conducts research; and integrates policy direction across the Ministry;
- facilitates Ministry planning and decision making with planning, knowledge management, and risk management processes

and information. Provides consultation expertise and implements Ministry-wide consultations;
- in conjunction with business areas, facilitates effective and integrated use of information management and technology systems by the Ministry;
- provides and supports technical systems of the Ministry;
- issues High School and Equivalency Diplomas and official transcripts of courses and marks;
- through the corporate data warehouse, collects, manages and provides learning system information required by the Ministry;
- provides leadership and support for the implementation of evolving technologies in the learning system in conjunction with stakeholders; and
- designs, develops and delivers print and electronic learning resources to support program delivery in the learning system.

Phone: (780) 427-3663
E-mail: learning-systemwideplanning@learning.gov.ab.ca

System Improvement & Reporting (SIR) Division facilitates continuous improvement and ensures accountability throughout the Ministry and learning system. The division:
- leads the development of accountability frameworks, performance indicators, measures and targets;
- reports Ministry results;
- conducts applied research, periodic audits or monitoring, and program evaluations;
- identifies best practices for achieving continuous improvement;
- develops and administers provincial Achievement Tests and Diploma Examinations and provides individual, school, jurisdiction and provincial level results to support teaching and learning in the basic education system;
- coordinates Alberta's participation in national and international assessments; and
- administers General Education Development tests to adult learners.

Phone: (780) 422-1608
E-mail: measurement.learning@gov.ab.ca

In addition:

Communications works with the Ministry and its stakeholders to provide communications support related to Ministry work. The Branch:
- provides useful, timely and clear information to Albertans on achievements and initiatives in the learning system;
- supports the Ministry in reaching its goals by providing strategic communications advice, planning services, specialized writing and editing skills;
- facilitates effective communications among Ministry employees; and
- represents the Ministry to the public and the media.

Phone: (780) 427-2285
E-mail: comm.contact@gov.ab.ca

7. Results Analysis

Alberta's knowledge-based economy requires innovative, well-educated, skilled and adaptable citizens. This is reflected in Alberta Learning's new vision: the best learning system in the world. The department, through its leadership and work with stakeholders and partners, will ensure that Albertans are prepared for lifelong learning, work and citizenship as contributing members of society.

A main focus in 2003/04 for the basic learning system was the development of the three pillars of the Renewed Funding Framework: formulas, flexibility and accountability. As part of the Accountability Pillar, the department began implementing the outcomes and measures for the Kindergarten to Grade 12 learning system developed by the Review Committee on Outcomes. In launching the Accountability Pillar, more than 270,000 students, parents, teachers and administrators were surveyed. In addition, jurisdiction funding profiles were developed for the Formula Pillar to enable school jurisdictions to address the unique needs and circumstances of their communities.

Alberta Learning's results reflect ongoing improvement. In 2003/04, we improved or met targets on many performance measures. For the first time, public satisfaction with the basic education system exceeded 70%. As well, satisfaction levels of post-secondary graduates and employers remain high. Our high school completion rate continues to increase, and a high percentage of partners and stakeholders agree that department staff are collaborative, responsive and flexible.

A number of initiatives during the year supported the educational success of Albertans. The Ministry implemented the First Nations, Métis and Inuit School Community Learning Environment Project in 16 pilot jurisdictions, and through our work on the Aboriginal Policy Initiative, we are integrating Aboriginal historical, cultural and spiritual content into a revised social studies program for Grades K-12.

The Ministry continues to play a key role in several other cross-government initiatives, such as co-chairing the Alberta Children and Youth Initiative. We are involved in a number of collaborative agreements and partnerships with other provincial jurisdictions, such as British Columbia and the Northwest Territories. We also worked with the federal government and other provincial jurisdictions on initiatives like the Pan-Canadian Online Learning portal, launched by the Council of Ministers of Education, Canada (CMEC). In collaboration with CMEC, we led the development of a national student assessment program, and we represented provinces and territories in our work with the federal government to improve student financial assistance programs and to promote accessible and affordable post-secondary education.

As well, over 48,000 Albertans improved their basic literacy, English as a second language or employability skills through community-based programs funded by the department.

Our successes are a testament to the collaboration among government, industry, post-secondary institutions, schools, teachers, parents and students. Our new vision statement challenges the department and our partners to maintain high levels of innovation, creativity and collaboration. Working together, we will continue to achieve exceptional results and provide outstanding experiences for all Alberta learners.

Maria David-Evans
Deputy Minister
Alberta Learning

Auditor General's Report

AUDITOR
GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

To the Members of the Legislative Assembly

In connection with the Ministry of Learning's performance information included in the *2003-2004 Annual Report of the Ministry of Learning* as presented on pages 18 to 38, and pages 203 to 214, I have:

Core Measures

1. Agreed information from an external organization to reports from the organization.

2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.

3. Checked that the presentation of results is consistent with the stated methodology.

4. Checked that the results presented are comparable to stated targets, and information presented in prior years.

5. Checked that the core performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

Supplemental Information

6. Agreed the information to source reports. In addition, I checked that the supporting narrative is consistent with the information.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance information included in the *2003-2004 Annual Report of the Ministry of Learning*.

Fred J Dunn

FCA
Auditor General

Edmonton, Alberta
September 21, 2004

Ministry Performance
Goal 1 – High Quality Learning Opportunities for All

✓ Met target

Results from base year for measures without targets or not meeting targets (taking the confidence interval into account):

= No change

↑ Improved Performance

↓ Performance decline

In support of this goal, in 2003/04:

- The Ministry provided more than $3 billion in operating grants to school boards to continue to provide high quality programs for K-12 students. Included in this amount was $37 million recommended by Alberta's Commission on Learning.
- Operating grants of almost $1.2 billion were provided to post-secondary institutions. This funding went toward the provision of a diversity of high quality programs by Alberta's post-secondary institutions.
- In response to industry needs, the Ministry provided $20 million as part of Access funding to increase access to Apprenticeship and Industry Training programs.

Goal 1 has four outcomes: the learning system meets the needs of all learners, society and the economy; all Albertans can participate in quality learning; the learning system is affordable; and financial need is not a barrier to learners participating in learning opportunities. There are six Ministry core measures to assess and report on these outcomes, five of which have targets. Targets were met on four of these measures, performance declined on one measure and remained unchanged on one. Rather than relating solely to funding for the 2003/04 fiscal year, achievement of results for the core measures reflects a cumulative amount of effort and funding over a number of years. Below are the performance highlights for 2003/04 for this goal.

PERFORMANCE HIGHLIGHTS

Satisfaction with Education or Training

✓ **Basic Education** – A substantial majority of the public (71%) remains satisfied with the overall quality of basic education. The target was met.

Apprenticeship and Industry Training –

✓ **On-the-Job Training** – The percentage of recent Apprenticeship graduates satisfied with their on-the-job training increased to 93%. The target for the most recent year (2002/03) was met.

✓ **Technical Training** - The percentage of recent Apprenticeship graduates satisfied with their technical training increased to 95%. The target for 2002/03 was met.

✓ **Post-secondary Education** – A large majority (79%) of post-secondary graduates are satisfied with the overall quality of their education, meeting the target.

Satisfaction with Access

= **Access to Lifelong Learning** – A substantial majority of the public (72%) continues to be satisfied that adult learners have access to the education and training they want.

OPPORTUNITIES FOR IMPROVEMENT

↓ **Affordability of the Learning System** – While half the public (50%) agrees that the learning system is within the means of most Albertans, results have declined over time. Alberta Learning continues to increase assistance to post-secondary learners and to enhance awareness of planning for post-secondary studies, including the availability of financial assistance and the return on investment in education.

Quality of Basic Education

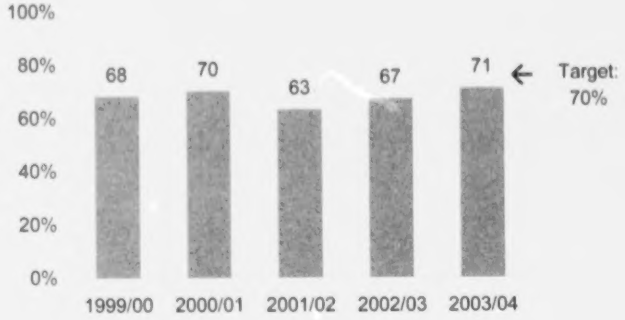
TARGET:

- The target was met.

DISCUSSION:

- Over 70% of the public are satisfied with the overall quality of basic education.
- There has been a gradual increase over time in public satisfaction levels, with some variation from year to year.

Percentages of the Public Satisfied with Overall Quality of Basic Education



Source: Alberta Learning: Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Note:

- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

Quality of Apprenticeship Training

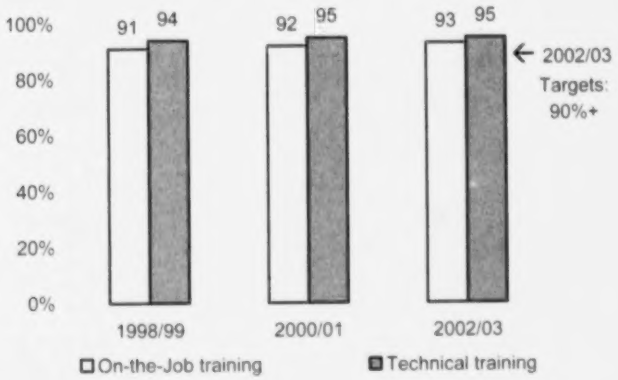
TARGET:

- No targets were set for 2003/04, as a biennial survey last conducted in 2002/03 is the data source for this measure. The targets for 2002/03 were met.

DISCUSSION:

- Very high percentages of recent apprenticeship graduates continue to be satisfied with the quality of their on-the-job and technical training.
- Results of the survey in 2002/03 indicated a gradual increase to 93% in satisfaction with on-the-job training, while satisfaction with technical training increased slightly to 95% in 2000/01 and remained at that level in 2002/03.

Percentages of Recent Apprenticeship Graduates Satisfied with their On-the-Job Training and Technical Training



Source: Alberta Learning: Nichols Applied Management – 1999 and 2003, R.A. Malatest & Associates – 2001.

Notes:

- Graduates of apprenticeship programs in 1997/98, 1999/2000 and 2001/02 (based on the August 1 – July 31 year) were surveyed six to 18 months after graduation.
- In 2000/01 and 2002/03 only graduates who took technical training as part of their apprenticeship program are included in the results for satisfaction with technical training. It was not possible to separate these respondents from the total in the 1998/99survey. The number of respondents to the technical training question was 2,821 in 2002/03 and 2,567 in 2000/01 with a confidence interval of plus or minus 0.4% for both years, reflecting a finite population factor, which is more appropriate for the size of this population.
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

GOAL 1 CORE MEASURES

Quality of Post-secondary Education

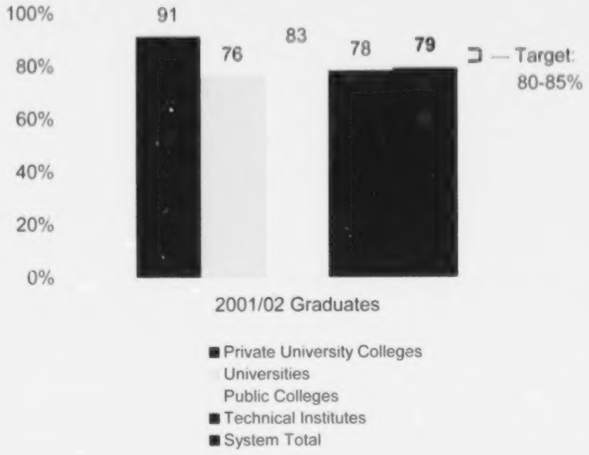
TARGET:

- The target was met, as the result is within 95% of the target.

DISCUSSION:

- A large majority of 2001/02 graduates (79%) surveyed in 2003/04 was satisfied with the overall quality of their post-secondary education.
- Results were strong in each sector as well, ranging from 76% for universities to 91% for private university colleges.
- Only 6% of respondents expressed some level of dissatisfaction with the overall quality of their education, and 15% expressed neither satisfaction nor dissatisfaction.
- 2001/02 graduates of certificate, diploma and degree programs were surveyed two years after graduation as part of the new combined post-secondary graduate satisfaction and employment survey. Previous satisfaction surveys were exit surveys, conducted at the time of graduation, and also included adult learners completing preparatory and basic upgrading programs.
- The results of the 2003/04 survey are not comparable to the results of the previous surveys. For those results, see Alberta Learning's 2002/03 Annual Report.

Percentages of Recent Post-secondary Graduates Satisfied with the Overall Quality of Their Education (new methodology)



Source: Alberta Learning.

Notes:

- Graduating students in parchment programs (i.e., certificate, diploma and degree programs) are surveyed every other year.
- See Endnote A, pages 203-207, for other information on the surveys conducted for Alberta Learning.

Access to Lifelong Learning

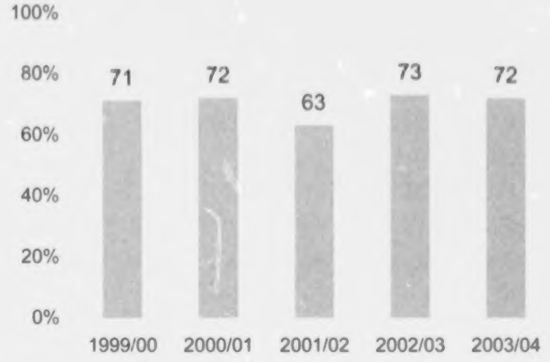
TARGET:

- No target was set for 2003/04 in the 2003-06 Business Plan, as there was only one year of results for the new question.

DISCUSSION:

- A substantial majority of the public is satisfied that most adults have access to the education or training they want.
- Satisfaction in 2003/04 is consistent with the longer term trend.
- Other information from the annual public surveys provides additional perspectives on Albertans' access to learning opportunities:
  - The proportion of adults reporting participation in education or training has been relatively stable in recent years at about 33%.
  - For those not taking education or training in 2003/04, the reasons cited most often were "lack of time" (by 20% of respondents) and "no need/not required by job" (by 18% of respondents). In recent years, these have ranked consistently as the top two reasons given, and together have accounted for about 40% of all responses each year (see table on next page).

Public Satisfaction that Most Albertans have Access to Education and Training



Source: Alberta Learning: Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- This measure reports the weighted average result of questions asked of two components of the public: adult learners (those who reported taking education or training in the last 12 months) and adult Albertans who did not take education or training in the last 12 months.
- The wording of the question asked of adult learners was clarified in the 2002/03 survey. In previous years, adult learners were asked about their satisfaction that "**most adults** are able to access the education or training **they** want". Starting in 2002/03 they were asked about their satisfaction that "**you** are able to access the education or training **you** want".
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

Affordability of the Learning System

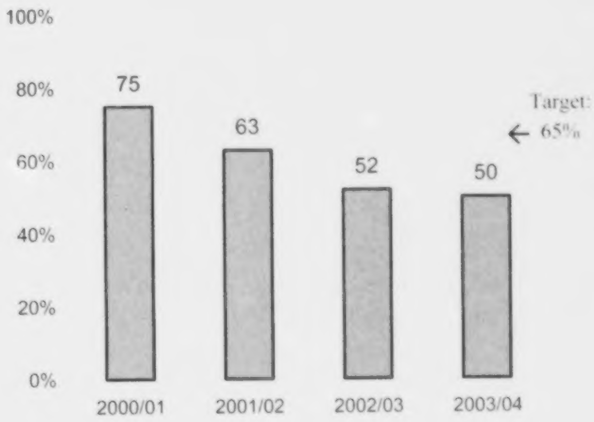
TARGET:

- The target for 2003/04 was not met.

DISCUSSION:

- Half of the public agrees that the learning system is within the means of most Albertans (about 43% disagree and 7% are uncertain). While agreement levels have declined since 2000/01, the result in 2003/04 is similar to the prior year.
- Notwithstanding these results, the actual participation of adults in education or training (including training at work) has been relatively stable in recent years (see the discussion on the previous page).
- Of adults who did not take education or training in the past 12 months (two-thirds of those surveyed), only 9% cited cost as the reason. "Costs too much" consistently ranks 4th to 6th in the list of primary reasons given. In recent years, between 7% and 11% of respondents provided cost as the primary reason for not participating in education or training.
- Government increased funding in 2003/04 to adult learners in the form of Heritage Scholarships, student loan relief, bursaries and other grants by $8.6 million (10.8%) over the prior year.

Percentages of the Public who Agree that the Learning System is Within the Means of Most Albertans



Sources: Alberta Learning: Criterion Research Corp. – 2001; R.A Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- In the survey, the learning system is defined in the introduction to a series of questions. The two questions preceding this one start: "Thinking about Alberta's learning system as a whole – that is, including elementary, junior and senior high schools, apprenticeship, and post-secondary institutions..." In the question for this measure, respondents are simply asked: "Again – thinking about the learning system as a whole – would you strongly agree, agree, disagree or strongly disagree that Alberta's learning system is within the means of most Albertans?"
- The sample size for this question was 1,067 in 2000/01, with a confidence interval of plus or minus 3%.
- See Endnote A, pages 203-207, for other information on surveys conducted for Alberta Learning.

Primary reasons for not taking education or training (percentages of respondents, and rank among all reasons)

	1999/00	2000/01	2001/02	2002/03	2003/04
Lack of time	27% (1)	29% (1)	18% (2)	18% (2)	20% (1)
Not necessary	26% (2)	25% (2)	25% (1)	25% (1)	18% (2)
Age/retired	9% (3)	10% (3)	9% (5)	16% (4)	9% (5)
Not interested	8% (4)	--	--	--	--
Family obligations	8% (5)	7% (5)	12% (3)	--	--
Costs too much	7% (6)	8% (4)	11%(4)	8% (5)	9% (4)
Working/Self employed	--	--	--	18% (3)	14% (3)

Sources: Alberta Learning: Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Goal 2 – Excellence in Learner Outcomes

✓ Met target

Results from base year for measures without targets or not meeting targets (taking the confidence interval into account):

= No change

↑ Improved performance

↓ Performance decline

In support of this goal in 2003/04:

- The Ministry provided a total of $132 million through the Access Fund to post-secondary institutions to increase post-secondary enrolment in high-demand programs.
- The Ministry supported community-based programs with $19.7 million to provide post-secondary and continuing education courses for adults, including adult literacy, adult English as a Second Language, business, academic upgrading and university transfer.
- To give Alberta's children the best start possible, government allocated $187 million to public and private early childhood services programs.
- Approximately $5.5 million was provided to school jurisdictions for the First Nations, Métis and Inuit (FMNI) education program.
- The Ministry provided approximately $20 million to school boards for English as a Second Language (ESL) programs.
- Funding for services for students with severe special needs in Grades 1-12 was $181 million.
- To enable school jurisdictions to purchase additional learning resources, the Ministry allocated $20 million in one-time resource grants.
- Funding of $10 million was provided to post-secondary institutions through the Performance Envelope to recognize achievement of results.
- The Ministry provided over $57 million in scholarships and bursaries to Alberta's post-secondary students, including apprentices, for their achievements.

Goal 2 has five outcomes: learners demonstrate high standards; learners complete programs; learners are well prepared for lifelong learning; learners are well prepared for employment; and learners are well prepared for citizenship. There are ten Ministry core measures for the goal of Excellence in Learner Outcomes, six of which have targets. Rather than relating solely to funding for the 2003/04 fiscal year, achievement of results for the core measures reflects a cumulative amount of effort and funding over a number of years. Following are the 2003/04 performance highlights for this goal.

PERFORMANCE HIGHLIGHTS

Student Achievement

Grade 3, 6, 9 Achievement Tests

✓ At the standard of excellence, the targets for overall results on provincial achievement tests were met both for all students and those writing.

↑ From 1999/2000 to 2002/03, overall results improved for students who wrote achievement tests at the acceptable and excellence levels and for all students at the standard of excellence (2003/04 overall results are not comparable to prior years).

↑ **Grade 12 Diploma Examinations** – Students achieved provincial expectations on a larger portion of diploma examinations in 2002/03 and 2003/04 than in earlier years.

Educational Attainment

✓ **High School Completion in the Basic Learning System** – The high school completion rate within five years of entering Grade 10 rose to 75%. The target was met.

✓ **Apprenticeship Completion** – The apprenticeship completion rate has increased slightly over time, meeting the target.

✓ **High School Completion of Albertans 25-34** – The high school completion rate of Albertans aged 25-34 remained high at 89%. The target was met.

✓ **Post-secondary Completion of Albertans 25-34** – The percentage of Alberta's 25-34 year olds who complete post-secondary programs has increased over time, meeting the target.

Readiness to Learn

↑ **Early Childhood Services** – The percentage of students who participated in Early Childhood Services programs prior to Grade 1 has increased slightly over time to 96%.

Preparation for Lifelong Learning

✓ **Preparation for Lifelong learning** – Public agreement that adult learners are well-prepared for lifelong learning has increased slightly to 77%. The target was met.

Preparation for Employment

↑ **Employment Rate of High School Graduates** – The employment rate of high school graduates aged 25-34 has increased to 84%.

= **Employment Rate of Certificate/Diploma Graduates** – The employment rate of adult Albertans aged 25-34 who have completed a post-secondary certificate/diploma has remained high at 86%.

= **Employment Rate of Degree Graduates** – The employment rate of adult Albertans aged 25-34 with a university degree has remained high at 88%.

Preparation for Citizenship

✓ **High School Student Preparation for Citizenship** – Public satisfaction that high school students are well prepared for citizenship (61%) has increased, meeting the target.

✓ **Adult Learners Preparation for Citizenship** – Public satisfaction that adult learners are well-prepared for citizenship has increased over time to 66%. The target was met.

OPPORTUNITIES FOR IMPROVEMENT

↓ **Provincial Achievement Tests** – Overall results for all students at the acceptable level declined from 1999/2000 to 2002/03. Alberta Learning has restructured funding to school jurisdictions to provide more flexibility for addressing student needs, and has increased targeted funding to reduce class sizes and to enhance learning for students who need specific programs, such as early literacy. These funding changes may improve overall student results in future years.

↓ **Post-secondary Completion -** The completion rate of students in Alberta public post-secondary institutions in 2002/03 was 61% for university students and 59% for college and technical institute students. The Performance Envelope has been revised to include institutional post-secondary completion rates. This is an incentive to post-secondary institutions to increase their completion rates, which may improve provincial results in future years.

Achievement Test Results Overall

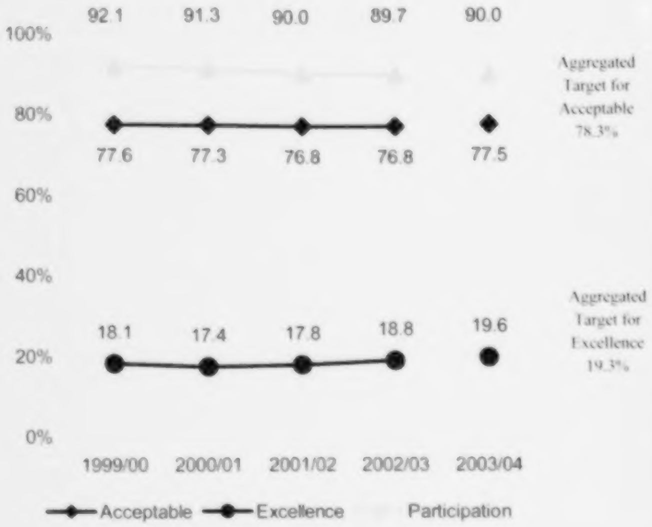
TARGETS:

- The aggregated targets for overall results on provincial achievement tests in grades 3, 6 and 9 at the standard of excellence were met.
- The aggregated targets at the acceptable standard were not met.

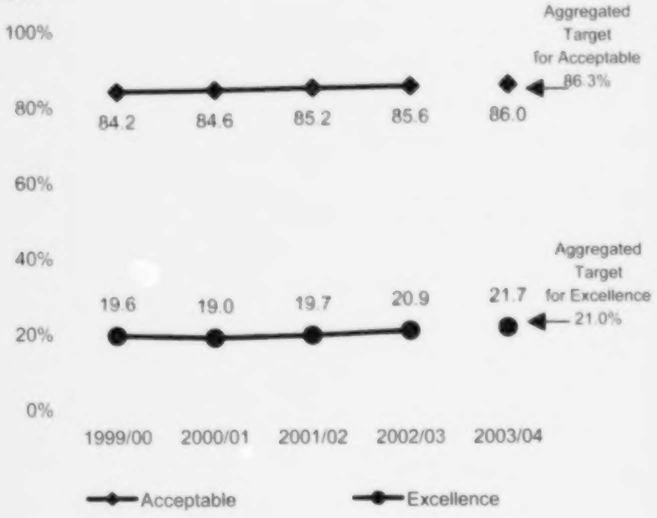
DISCUSSION:

- Science 9 test results and participation rates are not included in the aggregated results for 2003/04 since there was no target for that test. Targets were not set because the 2003/04 school year was the first year of full implementation of the new Science 9 Program of Studies.
- As Science 9 is not included in the 2003/04 information reported on the graphs, the 2003/04 results and participation rate are not directly comparable to prior years' results.
- Results in the earlier years improved over time for writers at both the acceptable and excellence levels, as well as for all students at the excellence level.
- In the 2003/04 school year, 90% of students participated in achievement tests (top graph).

Combined Results (All Grades and Subjects) – Participation Rates and Percentages of Students Who Demonstrated Standards on Provincial Achievement Tests (total enrolment in grade)



Combined Results (All Grades and Subjects) – Percentages of Students Who Wrote and Met Standards on Provincial Achievement Tests



Source: Alberta Learning

Notes:

- The percentages of students achieving the acceptable standard include the students achieving the standard of excellence.
- Aggregated targets are the averages of the targets for each subject and grade for the acceptable standard and the standard of excellence for both methods of calculating results.
- The 2003/04 aggregated data does not include Science 9 test results and participation rates, since no target was set for that test. No comparison should be made to previous years' data, which includes Science 9.
- See Endnote C, Provincial Achievement Tests, page 210.

Achievement Test Results for All Students in Grade

TARGETS:

- Results for all students in grade met or exceeded targets for the standard of excellence in five of nine tests.
- Results for all students in grade met or exceeded targets for the acceptable standard in one test – Grade 6 Social Studies.

DISCUSSION:

- Student performance at the acceptable level improved in only one of nine tests since 1999/2000. However, the 1999/2000 results for Language Arts 3, 6 and 9 were an anomaly because the change of prompts for the written-response component may have reduced the question difficulty, particularly for average/low achievers.
- Student performance at the acceptable level improved in four of nine tests, while declining in five tests since 2002/03.
- Student performance at the standard of excellence improved since 1999/2000 in five of nine tests, and declined on four.
- Since last year, student performance at the excellence level improved in four of nine tests and declined on five.
- The percentages of students who achieve the acceptable standard in the Grade 9 Language Arts and Mathematics tests are reported annually by the provincial government as indicators of literacy and numeracy, as adult literacy surveys are not conducted regularly. Students who achieve the acceptable standard in language arts and mathematics have developed the foundation skills needed to become literate and numerate adults.

Note: Science 9 results are excluded from the discussion above as the results in 2003/04 are based on a new curriculum and are not comparable to prior years' results.

Percentages of Students in Grades 3, 6 and 9 Demonstrating the Standards on Provincial Achievement Tests

Subject	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	Targets 2003/ 2004
Grade 3						
Language Arts						
excellence	17.9	16.1	14.9	15.7	15.1	17%
acceptable	84.3	82.8	81.2	82.4	81.7	83%
Mathematics						
excellence	25.7	23.8	26.7	29.8	27.4	27%
acceptable	82.1	81.8	81.2	82.3	81.8	82%
Grade 6						
Language Arts						
excellence	19.4	14.9	15.1	17.3	15.5	16%
acceptable	80.3	78.7	80.8	81.2	79.1	81%
Mathematics						
excellence	16.5	17.9	18.1	17.7	21.2	19%
acceptable	78.9	79.3	78.3	78.3	78.5	79%
Science						
excellence	24.7	25.3	22.6	24.1	26.2	25%
acceptable	79.0	82.0	79.5	80.0	80.6	81%
Social Studies						
excellence	19.9	18.7	19.4	20.3	19.7	20%
acceptable	78.7	78.6	78.3	79.0	78.6	78%
Grade 9						
Language Arts						
excellence	13.6	13.1	14.6	13.5	12.4	15%
acceptable	80.1	78.8	78.5	78.0	77.6	80%
Mathematics						
excellence	14.4	16.3	16.7	17.6	18.9	17%
acceptable	66.9	66.5	64.5	63.5	66.1	67%
Science						
excellence	12.6	11.9	11.4	13.0	12.1	--
acceptable	72.0	71.7	71.6	71.1	66.6	--
Social Studies						
excellence	16.2	16.0	18.0	18.7	20.0	18%
acceptable	73.4	72.8	73.8	72.6	73.1	74%

Source: Alberta Learning.

Notes:

- The percentages achieving the acceptable standard include the percentages achieving the standard of excellence.
- The 2002/03 Science 9 test results do not include one third of Grade 9 students who wrote Science 9 Form B, based on the learning outcomes of the new Program of Studies. 2003/04 results in Science 9 are not comparable to prior years' results.
- In 2003/04, the new Science test was fully implemented and no target was set.
- See Endnote C, Provincial Achievement Tests, page 210.

Participation Rates for Provincial Achievement Tests (Supplemental Information)

Subject	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
Grade 3					
Language Arts	93.0	92.6	90.6	91.5	90.6
Mathematics	93.4	93.4	91.6	92.1	91.7
Grade 6					
Language Arts	93.0	92.1	91.2	91.0	90.9
Mathematics	93.7	92.9	91.8	91.4	91.1
Science	93.1	93.1	91.6	91.0	91.2
Social Studies	93.6	92.8	91.2	91.4	91.0
Grade 9					
Language Arts	89.6	88.3	87.5	87.4	87.3
Mathematics	89.9	88.4	87.5	87.4	87.7
Science	90.7	89.7	88.7	85.9	88.6
Social Studies	90.7	89.3	88.7	87.7	88.6

Source: Alberta Learning.

Note:

- See Endnote C, Provincial Achievement Tests, page 210.

Achievement Test Results for Test Writers

TARGETS:

- Results for students who wrote provincial achievement tests met or exceeded the targets for the acceptable standard in five of nine tests.
- The same is also true for results meeting or exceeding the targets for the standard of excellence.

DISCUSSION:

- Student performance at the acceptable standard has improved in seven of nine tests since 1999/2000, and improved in four tests since last year.
- Student performance at the standard of excellence improved in six of nine tests since 1999/2000, and improved in four tests since last year.
- There were noticeable improvements in student performance on Mathematics 6 and 9 and Science 6 tests in the 2003/04 school year at both the acceptable standard and the standard of excellence over time and since last year.

Note: Science 9 results are excluded from the discussion above as the results in 2003/04 are based on a new curriculum and are not comparable to prior years' results.

Percentages of Students in Grades 3, 6 and 9 Who Wrote and Achieved the Standards on Provincial Achievement Tests

Subject		1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	Targets 2003/ 2004
Grade 3							
Language Arts							
	excellence	19.3	17.4	16.4	17.2	16.7	18%
	acceptable	90.7	89.4	89.6	90.1	90.2	91%
Mathematics							
	excellence	27.5	25.4	29.2	32.4	29.9	30%
	acceptable	87.9	87.6	88.7	89.3	89.2	89%
Grade 6							
Language Arts							
	excellence	20.9	16.2	16.5	19.0	17.0	17%
	acceptable	86.3	85.4	88.6	89.2	87.0	88%
Mathematics							
	excellence	17.6	19.3	19.7	19.3	23.3	20%
	acceptable	84.2	85.4	85.2	85.6	86.2	86%
Science							
	excellence	26.5	27.2	24.6	26.5	28.8	26%
	acceptable	84.9	88.0	86.7	87.9	88.3	88%
Social Studies							
	excellence	21.2	20.2	21.3	22.3	21.7	22%
	acceptable	84.1	84.7	85.9	86.4	86.4	86%
Grade 9							
Language Arts							
	excellence	15.1	14.9	16.7	15.4	14.2	17%
	acceptable	89.5	89.2	89.8	89.2	88.9	91%
Mathematics							
	excellence	16.1	18.4	19.1	20.1	21.5	19%
	acceptable	74.4	75.2	73.7	72.6	75.4	75%
Science							
	excellence	13.9	13.3	12.8	15.1	13.6	--
	acceptable	79.4	79.9	80.7	82.8	75.2	--
Social Studies							
	excellence	17.8	17.9	20.3	21.3	22.6	20%
	acceptable	80.9	81.5	83.2	82.8	82.6	83%

Source: Alberta Learning.

Notes:

- The percentages achieving the acceptable standard include the percentages achieving the standard of excellence.
- The 2002/03 Science 9 test results do not include one third of Grade 9 students who wrote Science 9 Form B, which reflects the learning outcomes from the new Program of Studies.
- In 2003/04, the new Science 9 program was fully implemented and no target was set. Science 9 results in 2003/04 are not comparable to prior years.
- See Endnote C, Provincial Achievement Tests, page 210.

Diploma Examination Results

TARGET:

- No targets were set for 2003/04, but will be in future years, since a method for equating diploma examinations is being phased in, to enable direct comparison of results over time.

DISCUSSION:

- In the 2002/03 and 2003/04 school years, provincial expectations were achieved for a larger portion of diploma examinations at the excellence and acceptable levels, compared to earlier years.
- In 2003/04, students met or exceeded provincial expectations at the excellence level in nine exams and also met or exceeded expectations at the acceptable level in seven exams.
- Test equating was implemented in 2003/04 for Social Studies 30 and 33. This initiative will enable direct comparison of the 2003/04 results to any subsequent year's results for these courses.

Participation in Diploma Exam Courses (Supplemental Information)

- Completing an English and a Social Studies diploma examination course is required for high school graduation.
- The percentages of students in their third year of high school who completed a Social Studies diploma course has increased each year since 2000/01, and reached 87% in 2003/04.
- 81% of students completed one of the new English diploma courses in 2003/04. An additional 5% of students completed one of the courses (English 30 and 33) that are being phased out, for a total of 86%.
- The participation rates for Science 30 and Social Studies 33 increased since last year, while the participation rates for all other diploma courses remained the same.

Percentages of Students Writing Diploma Examinations who Achieved Standards

Course	Standard	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
English 30 - 1	excellence	--	--	--	--	19
	acceptable	--	--	--	--	92
English 30 - 2	excellence	--	--	--	--	7
	acceptable	--	--	--	--	85
French Language Arts 30	excellence	--	--	--	15	17
	acceptable	--	--	--	95	95
Social Studies 30	excellence	16	19	21	22	24
	acceptable	84	85	86	87	86
Social Studies 33	excellence	13	13	12	13	15
	acceptable	81	81	81	82	83
Pure Mathematics 30	excellence	--	20	28	27	32
	acceptable	--	77	82	85	84
Applied Mathematics 30	excellence	--	--	--	14	14
	acceptable	--	--	--	85	86
Biology 30	excellence	23	27	26	22	27
	acceptable	81	81	84	81	82
Chemistry 30	excellence	24	22	24	25	28
	acceptable	84	79	82	85	86
Physics 30	excellence	28	24	33	25	30
	acceptable	83	79	84	82	87
Science 30	excellence	11	14	12	20	17
	acceptable	78	83	82	88	84

Source: Alberta Learning.

Notes:

- 85% of students are expected to achieve the acceptable standard and 15% are expected to achieve the standard of excellence. These provincial expectations are reference points used in the basic learning system to interpret results, not targets in the 2003-06 business plan.
- The percentages of students achieving the acceptable standard include the percentages of students achieving the standard of excellence.
- 2003/04 is the first year of full implementation of English 30-1 and 30-2, which reflect the new Program of Studies. English 30 and 33, based on the old program, are being phased out.
- Starting in 2002/03 for the Social Studies exams and in 2003/04 for all math/science exams, the written and multiple choice portions are administered in separate settings.

Percentages of Students Completing Diploma Examination Courses in Their Third Year of High School (participation)

Subject	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
English 30 - 1	--	--	--	--	56
English 30 - 2	--	--	--	--	25
French Language Arts 30	--	--	--	3	3
Social Studies 30	49	49	51	53	53
Social Studies 33	35	34	33	33	34
Pure Math 30	--	33	42	44	44
Applied Math 30	--	--	--	22	22
Biology 30	38	39	41	43	43
Chemistry 30	36	35	36	38	38
Physics 30	22	22	23	24	24
Science 30	6	7	7	7	8

Source: Alberta Learning.

Notes:

- Students can choose among courses to complete high school and meet post-secondary entry requirements; only part of the Grade 12 class writes each diploma exam.
- See Endnote C, Diploma Examinations, pages 210-211.

High School Completion

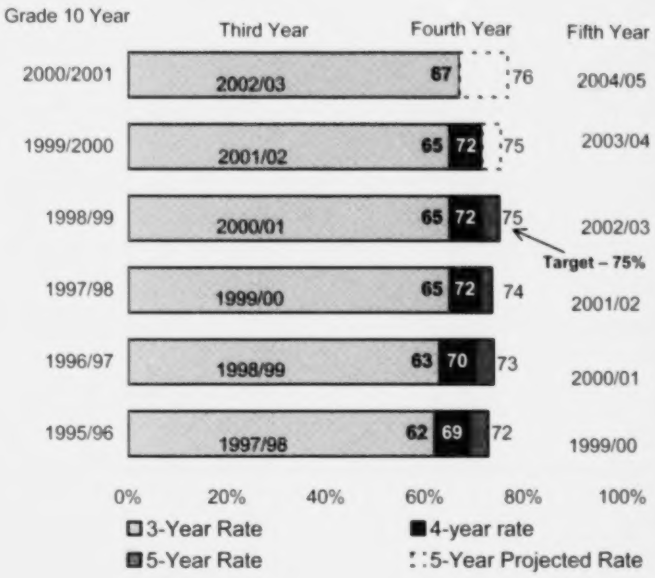
TARGET:

- The target was met.

DISCUSSION:

- The high school completion rate within five years of entering Grade 10 (the core measure) has increased 1% each year since 1999/2000, reaching 75% in the 2002/03 school year (the most recent year completion rates are available).
- The four-year high school completion rate, calculated for the first time, increased from 69% in 1998/99 to 72% in 2000/2001. It has remained stable at 72% in subsequent years.
- After remaining steady for three years at 65%, the three-year high school completion rate rose to 67% in the 2002/03 school year.
- These increases reflect increased attention to high school completion in recent years and the recognition that high school completion is needed for success.
- Of the students included in the five-year rate, most (over 85%) complete in three years. This makes the three-year rate a reliable predictor of the five-year rate in future years. Projections indicate the five-year rate will continue to increase at a modest pace.
- Substantial portions of students who do not complete high school in the basic learning system attain high school completion status as adults (see Educational Attainment measure, page 32).

High School Completion Rates



Source: Alberta Learning.

Notes:

- Projections indicate results likely to be achieved given the three-year completion rates for these groups of Grade 10 students and completion rates in prior years. The projection for 2004/05 also considers the projected 5-year rate for 2003/04.
- Included in the calculation of high school completion rates is an estimated attrition adjustment.
- See Endnote C, High School Completion Rate, pages 211-212.

High School Completion

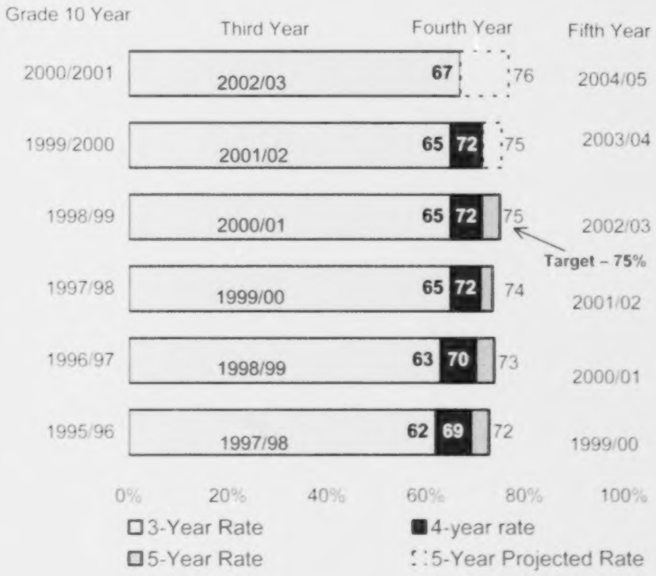
TARGET:

- The target was met.

DISCUSSION:

- The high school completion rate within five years of entering Grade 10 (the core measure) has increased 1% each year since 1999/2000, reaching 75% in the 2002/03 school year (the most recent year completion rates are available).
- The four-year high school completion rate, calculated for the first time, increased from 69% in 1998/99 to 72% in 2000/2001. It has remained stable at 72% in subsequent years.
- After remaining steady for three years at 65%, the three-year high school completion rate rose to 67% in the 2002/03 school year.
- These increases reflect increased attention to high school completion in recent years and the recognition that high school completion is needed for success.
- Of the students included in the five-year rate, most (over 85%) complete in three years. This makes the three-year rate a reliable predictor of the five-year rate in future years. Projections indicate the five-year rate will continue to increase at a modest pace.
- Substantial portions of students who do not complete high school in the basic learning system attain high school completion status as adults (see Educational Attainment measure, page 32).

High School Completion Rates



Source: Alberta Learning.

Notes:

- Projections indicate results likely to be achieved given the three-year completion rates for these groups of Grade 10 students and completion rates in prior years. The projection for 2004/05 also considers the projected 5-year rate for 2003/04.
- Included in the calculation of high school completion rates is an estimated attrition adjustment.
- See Endnote C, High School Completion Rate, pages 211-212.

Apprenticeship Completion

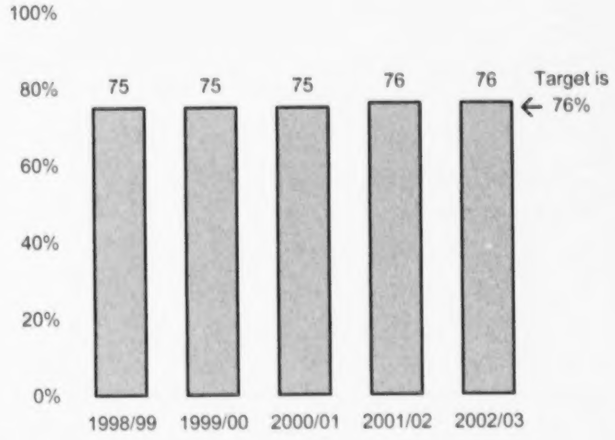
TARGET:

- The target was met.

DISCUSSION:

- In 2002/03, a substantial majority of apprentices (76%) received their journeyman certificates for completion of an apprenticeship program within two years of the length of their program.
- Completion rates rose slightly in 2001/02 following several years of stable rates. In 2002/03, 76% of apprentices who completed their first period requirements in a trade went on to complete their programs.
- Apprentices were tracked for two years past the normal program length to determine the completion rate.
- Improving economic conditions in Alberta in the mid-1990s and healthy economic conditions since 2000 may have facilitated completions as apprentices had opportunity to complete on-the-job and technical training.

Apprenticeship Completion Rate



Source: Alberta Learning.

Notes:

- Includes apprentices who have completed all the requirements of their first period of apprenticeship training. Excludes programs of less than two years in length.
- Based on July 1 to June 30 for all years of data provided.
- See Endnote C, Apprenticeship Completion Rate, page 212.
- See Endnote B, pages 208-209, for information on assessment of results over time.

Post-secondary Completion

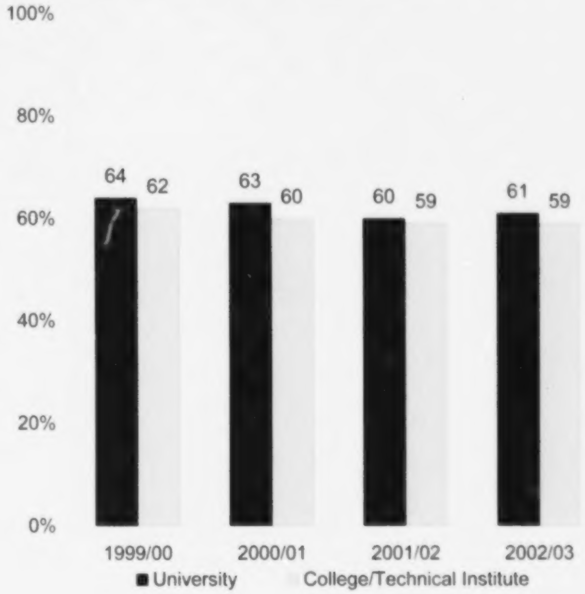
TARGET:

- No target has been set for this interim measure.

DISCUSSION:

- The post-secondary completion rate aggregates the institutional completion rates for universities and for colleges and technical institutes. To determine completion, post-secondary students were tracked for three years beyond the length of the program at the institution where they began as first-year students.
- The completion rates for both sectors have declined since 1999/2000 and have been fairly stable in 2001/02 and 2002/03. These results may reflect Alberta's improved economic conditions through the mid-1990s as students may have transferred to another institution to gain marketable skills more quickly or may have entered the labour force before completing their credential.
- Data for prior years have been restated due to the availability of more complete data files in 2003/04 for prior years.
- With this interim methodology, system-wide completion rates may not be adequately represented because information is not available to account for the completion of students who start at one post-secondary institution then complete at another one.
- Alberta Learning is currently implementing the Alberta Student Number (ASN) for all post-secondary students. This will allow for a more accurate calculation of completion rates in the post-secondary system, including the tracking of transfer students.

Interim Post-secondary Completion Rate



Source: Alberta Learning

Notes:

- Alberta College of Art & Design's programs are included in the University Sector as these programs are four-year undergraduate degree programs.
- The university sector completion rate is based on undergraduate programs tracked for seven years; therefore, the 1999/2000 rate for universities is based on the 1993/94 entry cohort, the 2000/01 rate is based on the 1994/95 entry cohort, the 2001/02 rate is based on the 1995/96 entry cohort and the 2002/03 rate is based on the 1996/97 entry cohort.
- The completion rates for the college and technical institute sectors is based on tracking first-time students for the program length plus three years, i. e., tracking for four years for a certificate program and five years for a diploma program.
- University completion rates were restated for 1999/2000 and 2001/02, and college/technical institute rates were restated for 2001/02, as the data files were more complete in 2003/04 for prior years.
- See Endnote C, Interim Post-secondary Completion Rate, pages 212-213.

Educational Attainment

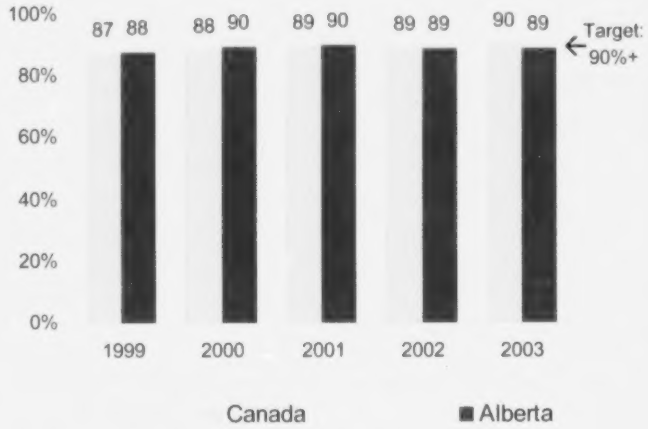
TARGET:

- The targets for high school completion and for post-secondary completion were met, as the results are within 5% of the respective targets.

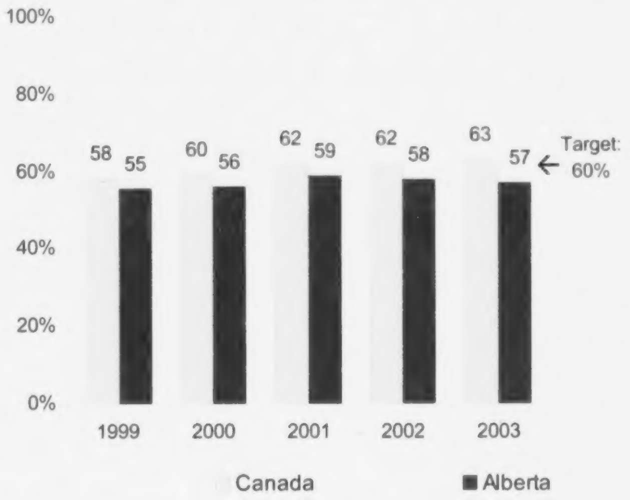
DISCUSSION:

- The percentage of Albertans aged 25-34 with at least high school completion remains stable on a year-to-year basis.
- Alberta's results for high school completion remain high and are similar to the national average.
- The post-secondary completion rate of Albertans aged 25-34 has increased slightly since 1999, and remains below the Canadian average.
- Alberta's 25-34 year olds continue to have the highest employment rate in Canada, suggesting ample employment opportunities for young adults. This may affect post-secondary completion rates as individuals take advantage of Alberta's employment opportunities.

Percentages of Albertans aged 25-34 who Completed High School



Percentages of Albertans aged 25-34 who Completed Post-Secondary Programs



Source: Statistics Canada Labour Force Survey, Special tabulation for Alberta Learning.

Notes:

- Since respondents were asked about their highest level of education, those who indicated they have participated in or completed post-secondary studies are considered to have completed high school.
- See Endnote B, pages 207-208 on the use of confidence intervals for survey measures to interpret results and on assessment of results over time.
- See Endnote C, Educational Attainment, page 213.

Preparation of Children for School

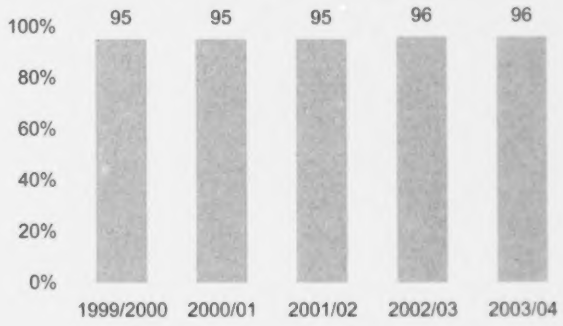
TARGET:

- No target was set for this proxy measure of readiness to learn.

DISCUSSION:

- The percentage of students who participated in Early Childhood Services (ECS) programs before entering Grade 1 was very high at 96% in 2003/04, and has increased slightly over time.
- Most parents choose to enroll their children in ECS programs even though ECS attendance is not mandatory.
- ECS programming is designed to prepare children for entry into Grade 1 and to provide a foundation for success in school.

Percentages of Grade 1 Students who Attended Early Childhood Services Programs



Source: Alberta Learning.

Notes:

- Includes children enrolled in Early Childhood Services or upgraded programs prior to Grade 1.
- See Endnote C, Participation in Early Childhood Services Programs, page 213.
- See Endnote B, pages 208-209, for information on assessment of results over time.

Preparation for Lifelong Learning

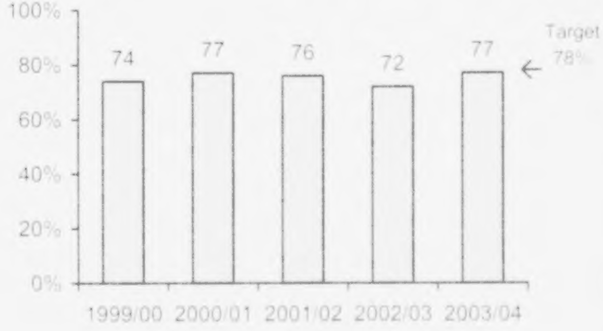
TARGET

- The target was met, as the result was within 5% of the target.

DISCUSSION

- More than three-quarters (77%) of the public is satisfied that adult learners are prepared for lifelong learning.
- The satisfaction level in 2003/04 has increased slightly since 1999/2000.
- This satisfaction measure was replaced in Alberta Learning's 2004-07 Business Plan with a high school to post-secondary transition rate.
- The transition rate measure has been developed and is calculated by tracking Grade 10 students for four and six years. Four-year and six-year transition rates are presented to introduce this new measure.
- The percentage of students entering post-secondary programs within four years of starting Grade 10 increased slightly from 31% in 1998/99 to 32% in 1999/2000 and has remained steady at that level in subsequent years. The percentage of students entering post-secondary within six years of starting Grade 10 also increased in 2001/02 and continued at 51% in 2002/03.

Public Satisfaction that Adult Learners are Well Prepared for Lifelong Learning

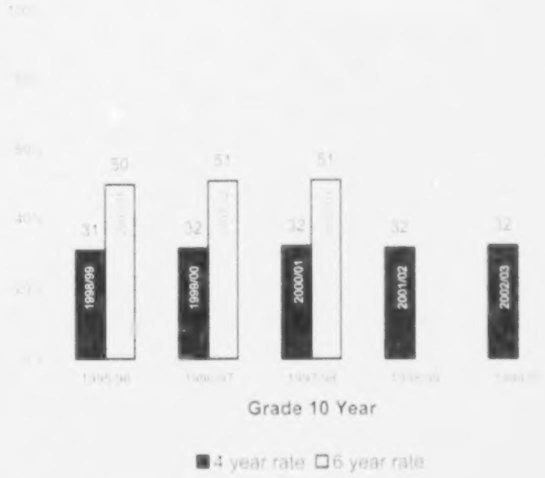


Sources: Alberta Learning; Criterion Research Corp. – 2000, 2001;
R.A. Malatest & Associates – 2002, 2003;
Compustat Consultants Inc. – 2004.

Notes:

- The question for this measure was modified slightly in 2002/03 to include a definition of lifelong learning. In prior years, respondents were asked about their satisfaction that "adults taking education or training are being taught an appropriate combination of skills to prepare them for lifelong learning." In 2002/03, "lifelong learning" was replaced with "learning throughout their lifetime."
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.
- See Endnote B, pages 208-209, for information on [illegible] time.

High School to Post-secondary Transition Rate (new core measure starting 2004/05)



Source: Alberta Learning

Notes:

- Students are considered to be attending post-secondary if they are enrolled in a public or private post-secondary institution in Alberta or registered in an apprenticeship program in Alberta. Adjustments for attrition and attending post-secondary out of province based on estimates are applied in calculating the transition rate.
- The transition year is noted in the columns of the graph.
- See Endnote C: High School to Post-secondary Transition Rate, page 214.

Preparation for Lifelong Learning

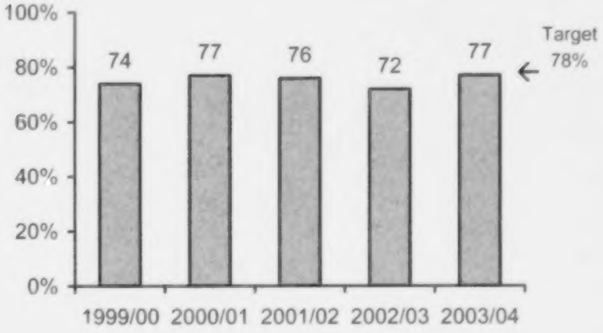
TARGET:

- The target was met, as the result was within 5% of the target.

DISCUSSION:

- More than three-quarters (77%) of the public is satisfied that adult learners are prepared for lifelong learning.
- The satisfaction level in 2003/04 has increased slightly since 1999/2000.
- This satisfaction measure was replaced in Alberta Learning's 2004-07 Business Plan with a high school to post-secondary transition rate.
- The transition rate measure has been developed and is calculated by tracking Grade 10 students for four and six years. Four-year and six-year transition rates are presented to introduce this new measure.
- The percentage of students entering post-secondary programs within four years of starting Grade 10 increased slightly from 31% in 1998/99 to 32% in 1999/2000 and has remained steady at that level in subsequent years. The percentage of students entering post-secondary within six years of starting Grade 10 also increased in 2001/02 and continued at 51% in 2002/03.

Public Satisfaction that Adult Learners are Well Prepared for Lifelong Learning

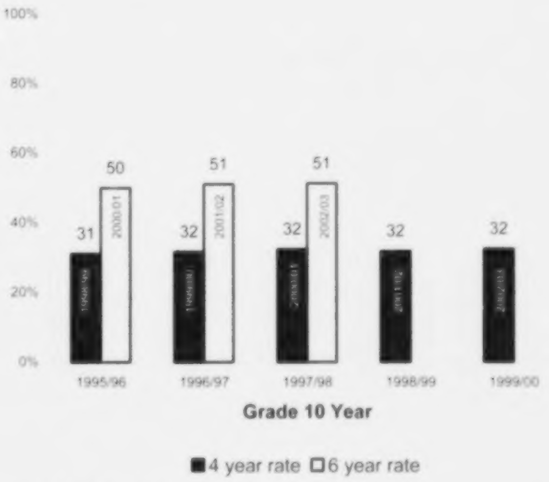


Sources: Alberta Learning: Criterion Research Corp. – 2000, 2001,
R.A. Malatest & Associates – 2002, 2003;
Compustat Consultants Inc. – 2004.

Notes:

- The question for this measure was modified slightly in 2002/03 to include a definition of lifelong learning. In prior years, respondents were asked about their satisfaction that "adults taking education or training are being taught an appropriate combination of skills to prepare them for lifelong learning." In 2002/03, "lifelong learning" was replaced with "learning throughout their lifetime."
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.
- See Endnote B, pages 208-209, for information on assessment of results over time.

High School to Post-secondary Transition Rate (new core measure starting 2004/05)



Source: Alberta Learning

Notes:

- Students are considered to be attending post-secondary if they are enrolled in a public or private post-secondary institution in Alberta or registered in an apprenticeship program in Alberta. Adjustments for attrition and attending post-secondary out of province based on estimates are applied in calculating the transition rates.
- The transition year is noted in the columns in the graph.
- See Endnote C, High School to Post-secondary Transition Rate, page 214.

Preparation for Employment

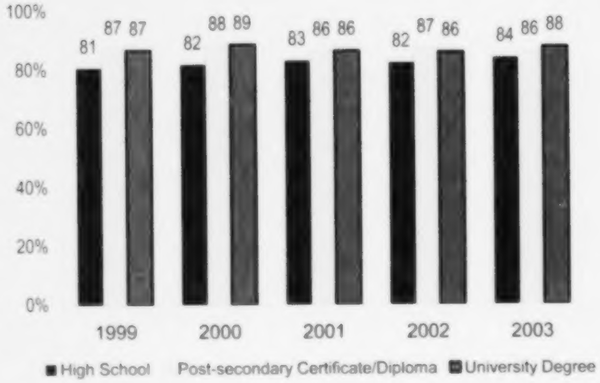
TARGET:

- No target was set in the 2003-06 Business Plan for this new methodology for employment rates.

DISCUSSION:

- The employment rates of Albertans aged 25-34 are high for all three types of learning system graduates.
- Employment rates for high school graduates have increased from 81% to 84% over the past few years.
- Employment rates for post-secondary graduates remain high at 86% for certificate and diploma graduates and at 88% for degree graduates.
- Employment rates are consistently higher for post-secondary graduates than for high school graduates. Post-secondary graduates typically have developed more job-related skills than high school graduates.
- A new methodology has been selected to report on employment outcomes of a fuller range of learning system graduates. In prior years, employment rates from surveys conducted every second year of recent graduates of Alberta's universities, colleges and technical institutes were reported (not including apprenticeship graduates). See Alberta Learning's Annual Report for 2002/03 for information on employment rates of post-secondary graduates from previous surveys.
- Employer satisfaction with learning system graduates has been added as a measure of preparation for employment in Alberta Learning's business plan for 2004-07.
- Results on this new measure have been stable since this question was added to the biennial employer survey.

Employment Rates of Albertans aged 25-34 (new methodology)

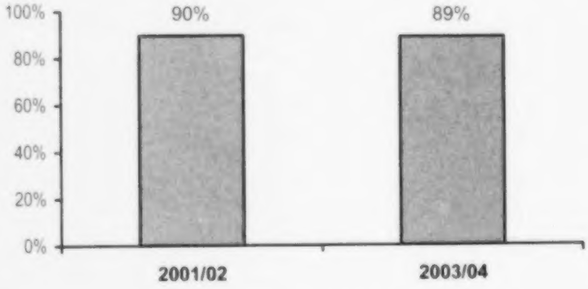


Source: Statistics Canada Labour Force Survey; Special Tabulation for Alberta Learning.

Notes:

- The post-secondary certificate/diploma category includes apprenticeship graduates.
- See Endnote C, page 214, for information on the Labour Force Survey.
- See Endnote B, pages 208-209, for information on the use of confidence intervals to interpret results over time.

Employer Satisfaction with the Skills of Recent Learning System Graduates (new core measure starting 2004/05)



Source: Alberta Learning; Environics West – 2002, Environics Research Group – 2004.

Notes:

- Learning system graduates includes high school, apprenticeship, certificate, diploma and degree graduates.
- Employer surveys are conducted every other year.
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

Preparation for Citizenship

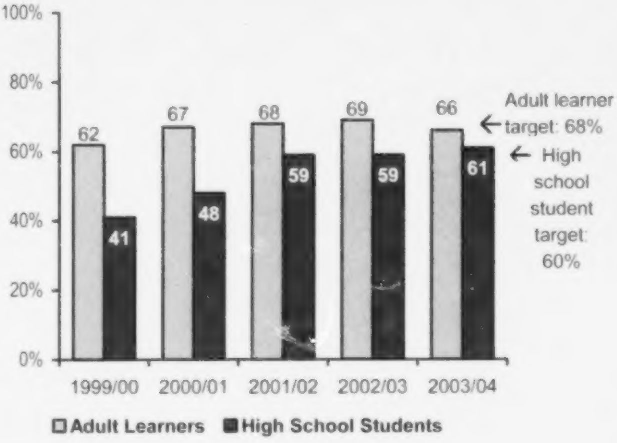
TARGET:

- The target for high school students was met.
- The target for adult learners was met, as the result is within 5% of the target.

DISCUSSION:

- Public satisfaction that high school students are well prepared for citizenship has been relatively stable the last three years, following significant increases in 2000/01 and 2001/02.
- Public satisfaction that adult learners are well prepared for citizenship increased in 2000/01, and has been relatively stable since then.

Public Satisfaction that Learners are Well Prepared for Citizenship



Sources: Alberta Learning: Criterion Research Corp.– 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004.

Notes:

- The questions were clarified in the 2001/02 survey as a result of field testing. The new questions asked the public to indicate how satisfied they are that recent high school graduates are well prepared for citizenship, and how satisfied they are that adults taking education or training are well prepared for citizenship.
- In prior years, the public was asked to indicate if they agreed that high school graduates in Alberta were being taught the rights and responsibilities of citizenship, and if they agreed that adult learners are getting an appropriate combination of skills and knowledge to prepare them for the rights and responsibilities of citizenship.
- See Endnote A, pages 203-207, for other information on surveys conducted for Alberta Learning.

Goal 3 – Highly Responsive and Responsible Ministry

OUTCOMES

✓ Met target

Results from base year for measures without targets or not meeting targets (taking the confidence interval into account):

= No change

↑ Improved performance

↓ Performance decline

In support of this goal in 2003/04:

- The Ministry provided $65 million for the Alberta Initiative for School Improvement (AISI) projects.
- In response to increasing utility costs, provided one-time grants of $30 million for operations and maintenance to post-secondary institutions.
- To allocate as much funding as possible to programs for learners, the Ministry endeavors to keep support costs as low as possible, while still maintaining high quality services. Ministry Support Services costs were under budget by almost $1 million.
- The Ministry provided $31 million through the Student Health Initiative for health-related support services to enable students with health needs to benefit from school.
- Addressing the need for a highly-skilled staff, the Ministry allocated over $430,000 for training Alberta Learning staff; including funding for tuition, bursaries and internal and external training sessions.

Goal 3 has two outcomes: improved results through effective working relationships on Cross-ministry Initiatives and with stakeholders; and the Ministry demonstrates leadership and continuous improvement. There are two Ministry core measures, and targets were met for both. Achievement of results for the core measures reflects a cumulative amount of effort and funding over a number of years, rather than relating solely to funding for the 2003/04 fiscal year. The following are the 2003/04 performance highlights for this goal.

PERFORMANCE HIGHLIGHTS

Partner and Stakeholder Satisfaction

✓ **Collaboration** – The percentage of partners and stakeholders who agree that Alberta Learning staff are collaborative has increased to 89%.

✓ **Responsiveness and Flexibility** – The percentage of partners and stakeholders who agree that Alberta Learning staff are responsive and flexible has increased to 87%.

Note: A roll-up core measure of overall learning system performance is under development for this goal.

Working Relationships

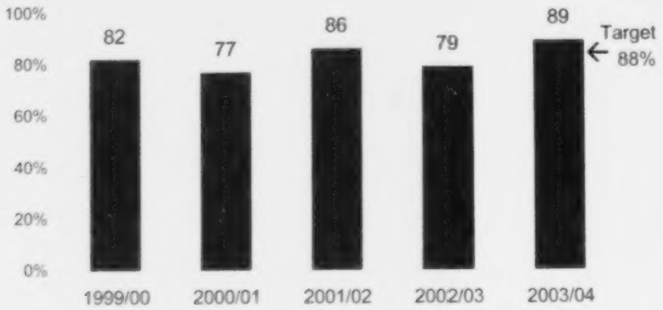
TARGET:

- Targets were met.

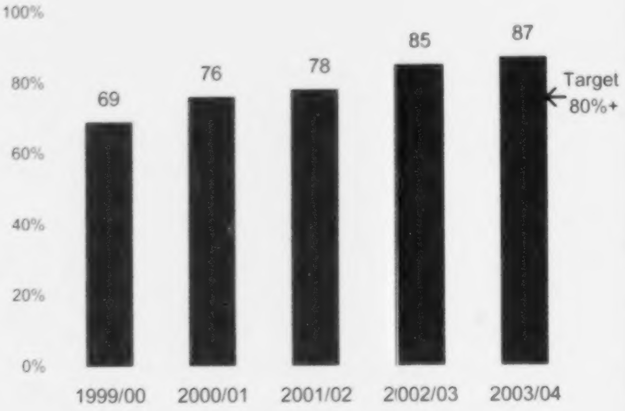
DISCUSSION:

- In 2003/04, a very large majority of partners and stakeholders agreed that Alberta Learning staff are collaborative (89%).
- Also in 2003/04, a large majority of partners and stakeholders agreed that Alberta Learning staff are responsive and flexible (87%).
- Since 1999/2000, results have improved substantially for both measures.
- There is greater variability in results from year to year for this measure than for other survey measures because of the small sample sizes.

Percentages of Cross-ministry Partners and Learning System Stakeholders who Agree that Alberta Learning Staff are Collaborative



Percentages of Cross-ministry Partners and Learning System Stakeholders who Agree that Alberta Learning Staff are Responsive and Flexible



Source: Alberta Learning: Hargroup Management Consultants Inc. – 2000, 2001, 2002, 2003, 2004.

Notes:

- The survey scale was changed in 2002/03 from a 5-point scale including a neutral midpoint, used in prior years, to a 4-point scale with no neutral midpoint (i.e., strongly agree, agree, disagree, strongly disagree). Overall, this had the effect of increasing both the strongly agree/agree and the disagree/strongly disagree responses, compared to results for previous years. In years prior to 2002/03, the question on flexibility had substantially more neutral responses than the questions on responsiveness or collaboration. With the change in scale, there were more "don't know" responses for collaborative in 2002/03 and for flexible in 2003/04 than the other attributes.
- Results for 2002/03 were restated to include 'don't know' in the denominator, consistent with the calculation of other survey measures. Overall, this recalculation had more effect in the collaborative results, reflecting a larger number of "don't know" responses for that attribute than for the others in that year.
- See Endnote A, pages 203-207, for information on surveys conducted for Alberta Learning.

FINANCIAL RESULTS AND PERFORMANCE

Financial results of the Ministry of Learning for the year ended March 31, 2004 include the activities of the Department of Learning and the Alberta School Foundation Fund. More detailed information can be found in the Ministry's financial statements (pages 48 - 111).

(in millions)

	2003/04		2002/03
	Budget	Actual	Actual
REVENUES			
School property taxes	$ 1,165	$ 1,178	$ 1,113
Internal government transfers	138	139	105
Transfers from Government of Canada	142	188	115
Sales of Learning Resources	31	35	26
Fees, permits, licences and other revenue	9	14	11
	1,485	1,554	1,370
EXPENSES BY FUNCTION			
Education[1]	$ 5,035	$ 5,106	$ 4,827
Economic Development	4	4	4
Debt Servicing Costs	4	3	3
	5,043	5,113	4,834
NET OPERATING RESULTS	$ (3,558)	$ (3,559)	$ (3,464)

1. Education includes teachers' pension valuation adjustment (2003/04 Budget: $127 million; 2003/04 Actual: $130 million; 2002/03 Actual: $75 million)

OVERVIEW

Reflecting the Government of Alberta's ongoing commitment to Learning, support to the learning system continued to increase in 2003/04. Investment in Learning increased $279 million (5.8%). Approximately 94% of the Ministry's expenses were comprised of grants to provide programs and help Alberta's learners. At $28.6 million, Ministry Support Services were kept below budget by almost $1 million and represent only 0.56% of the Ministry's expenses.

In Basic Learning, support increased $226 million. Additional contributions were made to school jurisdictions through grant rate increases and to address Alberta Commission on Learning recommendations. Also included are costs relating to the Teachers' Pension, which increased $10 million from the prior year.

Support for Adult Learning increased $46 million from the prior year. Operating grants to post-secondary institutions increased $98 million, while scholarships and bursaries increased over $8 million. These increases were offset by a decrease in the provision for the future cost of student loans and a one-time recognition of a loan repayable for the University of Calgary research facility in 2002/03. The provincial government disbursed $87.6 million in student loans in 2003/04. Alberta student loan relief programs continued to reduce debt automatically for students in their first and final years of study, providing $84.4 million in debt reduction in 2003/04.

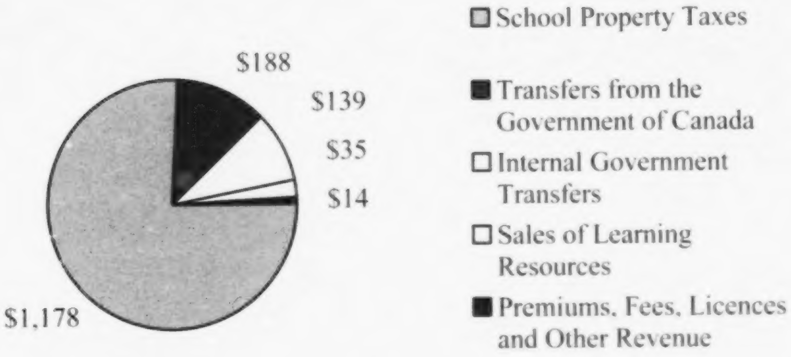
Acknowledging the need for skilled trades people in Alberta, the Ministry increased Access funding by $7 million (24%) to increase the number of seats available in apprenticeship programs.

REVENUES

Revenue for the Ministry of Learning totaled $1,554 million for 2003/04 from the following sources:

- $1,178 million in provincial education property taxes, which were collected by the provincial government through the Alberta School Foundation Fund.
- $139 million was received through internal government transfers, including:
    - Almost $117 million from the Lottery Fund; and
    - $22 million from the Alberta Heritage Scholarship Fund.
- $188 million in revenue was received in transfers from the Government of Canada, including:
    - $187 million in Canada Health and Social Transfers; and
    - $1 million in support of Canada Student Loans administration.
- $35 million in revenues was related to the sale and distribution of learning and teaching resources that have been purchased directly from publishers or developed and printed by the Ministry.
- $14 million in revenues were generated from various programs such as marketing apprenticeship, high school transcripts, teacher certification fees, as well as other income sources such as investment income.

Revenues by Source
(in millions)



Comparison of 2003/04 actuals to budget

Revenues were $69 million higher than budgeted as a result of the following:

- $46 million more than expected in Canada Health and Social Transfer revenue;
- $13 million more than budgeted in provincial education property taxes;
- $4 million higher than anticipated sales of learning and teaching resources; and

- $6 million in increases over budget in other areas including Heritage Scholarship Fund revenue, premiums, fees and licenses and refunds of prior year expenses.

Comparison of 2003/04 actuals to prior year

Revenues for the Ministry increased $184 million from 2002/03. The increases were spread across the Ministry's revenue sources:

- The Ministry's share of Canada Health and Social Transfers from the federal government has increased $73 million after a dip in the prior year.
- Provincial Education Property Taxes increased $65 million due to an increase in the assessment base.
- Lottery fund contributions were increased by $32 million including additional funding for transportation and school technology upgrading.
- Sales of learning resources increased $9 million.
- Revenue associated with the distribution of Heritage Scholarships increased by over $1 million.
- Other revenue including investment income and refunds of prior year expenses increased approximately $4 million.

EXPENSES

	(in millions)		
	2003/04		2002/03
	Budget	Actual	Actual
MINISTRY EXPENSES BY CORE BUSINESS[1]			
Basic Learning[2]	$ 3,718	$ 3,769	$ 3,543
Adult Learning [3]	1,305	1,308	1,262
Apprenticeship and Industry Training	20	36	29
Total Ministry Expenses	$ 5,043	$ 5,113	$ 4,834

1. Ministry Support Services costs of $28.6 million (2002/03 - $27.6 million) have been allocated to core businesses based on proportion of total expenses.
2. Basic Learning amount includes teachers' pension valuation adjustment. (2003/04 Budget: $127 million; 2003/04 Actual: $130 million; 2002/03 Actual: $75 million)
3. Includes operating grants provided to post-secondary institutions used but not specifically earmarked for apprenticeship and industry training.

Directly incurred expenses for the Ministry of Learning were $5,113 million for 2003/04, allocated to core businesses as follows:

- Approximately $3,769 million in expenses related to Basic Learning:
  - $3,200 million paid in Operating Support to Public and Separate School Boards offset by $163 million in amounts for opted-out school boards;
  - Teachers' pension costs of $385 million for the year;
  - Support for private schools, including early childhood services, totaling $111 million;

  - Provincial Initiatives support of approximately $65 million, specifically the Alberta Initiative for School Improvement;
  - $31 million in expenses incurred to support student health;
  - $41 million paid to support other basic learning programs including the production and delivery of learning and teaching resources;
  - A one-time Learning Resource Grant of $20 million to enable school jurisdictions to make additional purchases through the Learning Resources Centre;
  - Program delivery support of $55 million and an additional $21.1 million, which is Basic Learning's share of the expenses presented under Ministry Support Services; and
  - $3 million in debt servicing costs incurred by the Alberta School Foundation Fund.

- Approximately $1,308 million in expenses related to Adult Learning:
  - $995 million in operating assistance for post-secondary institutions;
  - $112 million in additional support to increase the accessibility of post-secondary programs;
  - $30 million in one-time operations and maintenance grants to post-secondary institutions;
  - $10 million in one-time Performance Envelope funding and $6 million in other program support;
  - $89 million in support to post-secondary learners in the form of scholarships, bursaries, Maintenance Grants and Student Loan Relief Benefit;
  - System support and a provision for future costs on existing loans totaling $24 million; and
  - Program delivery support of $35 million and an additional $7.3 million, which is Adult Learning's share of the expenses presented under Ministry Support Services.

- Approximately $36 million in expenses related to Apprenticeship and Industry Training:
  - Expenses of $13 million to deliver apprenticeship programs;
  - $20 million in grants to post-secondary institutions to increase access and to enhance apprenticeship technical training programs;
  - Marketing apprenticeship expenses of $3 million; and
  - Apprenticeship and Industry Training's share of expenses presented under Ministry Support Services was $0.2 million.

Comparison of 2003/04 actuals to budget

Expenses were $70 million higher than budgeted as a result of the following:

- $51 million more than budgeted for support to Basic Learning consisting of:
  - $37 million more than budgeted to support Learning Commission recommendations;
  - $17 million in additional support to schools for more than expected returning Grade 12 students, increased support for students with severe disabilities and other enrolment-driven increases;
  - $5 million in additional expenses for Basic Learning in Student Health and program delivery;
  - $3 million in additional costs associated with increased sales of learning resources;
  - $1 million higher than anticipated private school funding offset by:
  - $10 million lower than expected teachers' pension expenses primarily due to decreased current and past service contributions as a result of fewer than anticipated teachers in the system;
  - $1 million lower than anticipated grants for the Alberta Initiative for School Improvement; and

  - $1 million below budget for debt servicing costs.

- $3 million over budget in Adult Learning comprised of:
  - $30 million for unbudgeted, one-time operations and maintenance grants;
  - $3 million more for Access Fund to increase the number of post-secondary seats offset by:
    - A lower than expected provision for the liability for student loans by $21 million; and
    - Lower than expected program support costs of $9 million.

- $16 million more than budgeted for Apprenticeship and Industry Training Access grants provided to post-secondary institutions.

Comparison of 2003/04 actuals to prior year

Across Learning's core businesses, spending increased $279 million over 2002/03. This is a result of:

- Increases totaling $226 million in Basic Learning from the following:
  - Increased support for public and separate schools totaling $187 million for:
    - Operating support grant rate increases of 3% for the 2002/03 school year and an additional 2% for the 2003/04 school year;
    - $20 million for school technology upgrading;
    - $37 million in response to Alberta Commission on Learning recommendations; and
    - Increased funding for early childhood services and students with severe disabilities.
  - Increased Teachers' Pension costs of approximately $71 million related to additional past and current service contributions and additional provision for the unfunded liability. This was offset by a prior year one-time payment on behalf of teachers toward the unfunded liability of $60 million;
  - $20 million in one-time Learning Resource Grants to help school jurisdictions purchase additional learning resources; and
  - $15 million in other Basic Learning programs including increased demand for learning and teaching resources and program delivery support;
  - Offset by a decrease in a one-time funding to the Calgary Board of Education of $7 million in 2002/03 to cover unique benefit costs.
- Increases totaling $46 million in Adult Learning due to the following:
  - $30 million in one-time operations and maintenance grants was provided to post-secondary institutions.
  - In addition to rolling faculty retention and equity adjustments into operating grants, an additional $28 million increase in operating grants was provided to post-secondary institutions.
  - An increase to Access funding of $23 million was provided to increase the number of seats in certain post-secondary programs, not including Access Fund grants for apprenticeship.
  - $10 million in additional support was provided to adult learners in the form of Maintenance Grants, Heritage Scholarships, Student Loan Relief and systems support.
  - A further $10 million in one-time Performance Envelope grants was awarded to post-secondary institutions.
  - These increases were offset by:
    - A reduction due to a $31 million one-time expense in 2002/03 for the commitment to repay a loan entered into by the University of Calgary for a research facility;

  - A $21 million reduction in the provision for student loans; and
  - A further decrease of $3 million primarily due to a reduction in program delivery expenses.
- Increases totaling $7 million in Apprenticeship and Industry Training were primarily due to increased grants to post-secondary institutions earmarked for apprenticeship and industry training initiatives.

GRANTS

Grants accounted for $4,802 million (94%) of the total amount of the Ministry's expenses.

- Grants to school boards totaled $3,129 million and consisted of:
  - Approximately $3,197 million in instruction and support block funding and other enrolment-driven funding offset by $163 million school property taxes already collected by opted-out separate school boards, who have the authority to requisition and collect levies on their residential and non-residential properties;
  - $64 million in grants for the Alberta Initiative for School Improvement; and
  - $31 million for the Student Health program.
- Grants to post-secondary institutions totaled $1,174 million and consisted of:
  - $990 million in operating and conditional grant funding;
  - $132 million to support program expansion through the Access Fund; and
  - $52 million in other funding initiatives including Inmate Programs and Community Adult Learning programs provided through post-secondary institutions.
- Grants to adult learners totaled $103 million and were comprised of:
  - $67 million in assistance to learners in the form of student loan relief benefits, Maintenance Grants, Alberta Opportunities Bursaries, achievement and other scholarships;
  - $22 million in scholarships funded through the Alberta Heritage Scholarship Fund; and
  - $14 million as a provision for the future cost of student loans for remissions, interest and loan guarantees.
- Other grants in the amount of $396 million included:
  - Grants to the teachers' pension of $135 million for current service and $120 million for past service;
  - $116 million in financial assistance to private schools for early childhood services and instruction grants; and
  - $25 million in grants for other areas including agencies providing community education programs and learning television.

Looking Ahead: Opportunities and Challenges for Alberta's Learning

Education is increasingly being recognized as facilitating and securing economic growth, societal prosperity and healthy communities, thereby improving the standard of living. For Alberta to continue to prosper, emphasis should continue to be placed on ensuring access to early childhood education, successful completion of Kindergarten to Grade 12 (K-12), smooth transitions to post-secondary learning and participation in lifelong learning.

Alberta is recognized nationally and internationally for the excellence of its learning system. To sustain and improve upon this excellence, and to ensure Albertans are prepared for success in the knowledge economy, Alberta Learning, its partners and its stakeholders will continue to enhance the capacity of the system to respond to significant environmental influences and learner needs.

Providing a Strong Foundation for Children and Youth

One priority of the learning system is to meet the basic educational needs of children and youth and enable them to fully benefit from school. This is a responsibility shared between parents and Alberta Learning along with its partners and stakeholders. It is critical that children enter school ready to learn. For Alberta's youth to take full advantage of opportunities beyond basic learning and be prepared to compete on the global stage, well-rounded preparation for further learning, work and community participation is essential. Opportunities and challenges include:

- Optimizing early childhood development and basic education to build a strong foundation of cognitive, physical, emotional and spiritual health, along with fundamental skills and knowledge that will enable the full participation of all Albertans in lifelong learning.
- Addressing literacy issues for all age groups in Alberta, as literacy is a basic foundation for all learning and for success in a knowledge-based society.
- Promoting completion of high school to encourage advancement, as high school academic achievement and completion are strong predictors of post-secondary success and employment.
- Enhancing transitions to employment and further study for learners by providing barrier-free pathways for Albertans to be successful lifelong learners.
- Enhancing evidence-based decision-making capabilities by developing new ways of collecting and assessing data and information about learners and the learning system.

Ensuring High Quality Learning Opportunities for All

Learners and learning stakeholders have rising expectations for a choice-filled, high-quality, and safe learning system. Adding to these challenges, Alberta continues to face significant demographic trends, including a growing senior population, an aging workforce, increasing Aboriginal youth population, students with special needs, classroom diversity, and shifts in rural and urban populations. Opportunities and challenges include:

- Working with partners and stakeholders to implement the government-approved recommendations from Alberta's Commission on Learning and provisions of the *Post-secondary Learning Act*.
- Devising innovative ways to consult with Albertans to obtain their input on priorities for the lifelong learning system.
- Working with communities to address the learning needs of First Nations, Métis, and Inuit children and youth, enhancing current levels of educational attainment among Aboriginal youth.
- Collaborating with partners and stakeholders to assess trends, needs, best practices, and the opportunities and challenges of learning technology.

- Clarifying roles and responsibilities among the Ministry, learning providers and learners on planning and implementing improvements in the use of technology.
- Enhancing lifelong learning opportunities for Albertans through electronic access to learning resources and multimedia learning materials.
- Ensuring that programming, curriculum and instructor preparation keep pace with rapid technological advances.
- Attracting and retaining teachers and faculty, especially in the areas of math, science, second languages and post-secondary education, as improving regional economies and demographic shifts increase competition for human resources.
- Working with partners and stakeholders to respond to the needs of learners entering the system from outside Alberta and Canada.
- Enhancing education delivery methods to assist rural communities in maintaining quality service levels.

Preparing a Highly Knowledgeable and Skilled Workforce

Knowledge, innovation and education tend to be correlated with economic and societal prosperity. With the emphasis on ideas, communication and innovation in today's economy, education and lifelong learning are more important than ever for success, both individually and as a society. It is expected that future labour market demand will continue to be weighted toward jobs requiring post-secondary education or training. In addition, the need for knowledge, skills and training are increasing in positions that traditionally have had minimal requirements in these areas in response to new technologies, safety issues and customer service expectations. Opportunities and challenges include:

- Fostering recognition of learning as an investment in the future of individuals and the province as a whole.
- Ensuring that a wide range of initiatives and programs are in place and publicized to support learning across the stages of life.
- Improving participation in second language learning in recognition of its impact on intellectual development, academic achievement, first language skills, citizenship and the economy.
- Developing strategies to encourage continuation to post-secondary learning to ensure Albertans are prepared to participate in and benefit from the knowledge-based economy.
- Enhancing awareness of rising workplace skill requirements and skill development opportunities, of the affordability of post-secondary education, and of the financial support available to access post-secondary education.
- Developing strategies to address industry's need for a highly skilled and trained workforce, especially in areas of expected skill shortages.
- Responding to industry requests for designating new trades and occupations to ensure that employers have the skilled workers they require and that high standards of training are maintained.

Sustainability of the Learning System

In addition to the question of how to maintain high quality, relevant, accessible and affordable learning opportunities is the issue of how to sustain the learning infrastructure in the long term. Parents are expressing a desire to have greater input into decision-making on educational policies and their children's educational choices. Business and industry are demanding more relevant training with increasing standards. Trends are towards increasingly individualized, learner-centred instruction. An additional aspect resulting from the increased public demand for lifelong learning is an environment where education potentially becomes a competitive business sector.

This increases the learner's choices; however, accountability for quality of education may be compromised unless government plays a role to ensure that accessible, affordable and quality education is maintained. Various demands are being placed on the learning system, which is striving to adapt while sustaining itself over the long term. Opportunities and challenges include:

- Ensuring adequate province-wide investment is provided for while maintaining financial sustainability of the learning system.
- Ensuring Alberta's learning system has the ability to adjust programming and curriculum to keep pace with the changes inherent in the fast-paced changing environment.
- Developing an overall strategy to sustain the learning infrastructure in the long term while maintaining its flexibility to adapt to changing needs.
- Reviewing the government's role in ensuring that accessible, affordable and quality education is maintained in the increasingly competitive education sector.
- Clarifying roles and responsibilities for accountability among the federal government, the provincial government, learning providers and learners.

The Ministry's business plan for 2004-07 contains strategies that address these opportunities and challenges through ongoing work with Alberta Learning's partners and stakeholders.

MINISTRY OF LEARNING

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2004

Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Financial Position

Statement of Cash Flow

Notes to the Consolidated Financial Statements

Schedule 1 - Revenues

Schedule 2 - Expenses – Directly Incurred by Object

Schedule 3 - Budget

Schedule 4 - Funding Provided to School Boards

Schedule 5 - Funding Provided to Post-Secondary Institutions

Schedule 6 - Statement of Alberta Heritage Scholarship Fund Expenses

Schedule 7 - Purchase of Capital Assets

Schedule 8 - Voted Non-Budgetary Disbursements by Program

Schedule 9 - Related Party Transactions

Schedule 10 - Allocated Costs

AUDITOR
GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Learning as at March 31, 2004 and the consolidated statements of operations and cash flow for the year then ended. These consolidated financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

As disclosed in Note 2, the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. PSAB has recently revised the definition of the Government reporting entity for implementation for years commencing on or after April 1, 2005. In Note 2(a), management has stated when it intends to comply with PSAB's recommendations. If all the organizations referred to in Note 2(a) had been included in the accompanying financial statements, I estimate that assets and expenses would increase by approximately $9 billion and $3 billion respectively for the year ended March 31, 2004. The effect on revenue, liabilities and net liabilities cannot be estimated because the required information is not available.

Fred J Dunn
FCA
Auditor General

Edmonton, Alberta
May 21, 2004

MINISTRY OF LEARNING
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2004

	(in thousands)		
	2004		2003
	Budget (Schedule 3)	Actual	Actual
Revenues (Schedule 1)			
School Property Taxes	$ 1,165,000	$ 1,177,717	$ 1,112,792
Internal Government Transfers	137,545	138,625	105,094
Transfers from Government of Canada	142,282	188,483	115,580
Sales of Learning Resources	30,903	35,136	25,844
Premiums, Fees and Licences	4,890	5,989	5,047
Other Revenue	4,671	8,395	5,820
	1,485,291	1,554,345	1,370,177
Expenses - Directly Incurred (Schedule 2)			
Operating Support to Public and Separate Schools	3,144,731	3,200,337	2,996,520
Teachers' Pensions (Note 14)	395,349	384,730	314,267
Private Schools Support	109,912	110,876	110,968
Provincial Initiatives	65,602	64,603	65,483
Other Basic Learning Support	37,955	40,875	30,800
Student Health Services	29,118	30,718	30,390
	3,782,667	3,832,139	3,548,428
Less: Property Tax Support to Opted-Out Separate School Boards (Schedule 4)	(162,000)	(163,363)	(146,788)
Total Basic Learning Support	3,620,667	3,668,776	3,401,640
Assistance to Post-Secondary Institutions	1,122,243	1,163,644	1,107,004
Support to Post-Secondary Learners	133,155	112,583	123,075
Total Adult Learning Support	1,255,398	1,276,227	1,230,079
Apprenticeship Delivery	16,193	16,006	15,774
Ministry Support Services	29,505	28,608	27,623
Program Delivery Support	87,257	90,491	89,266
Total Expenses Before One-Time Initiatives and Debt Servicing Costs	5,009,020	5,080,108	4,764,382
Teachers' Pension Liability Funding – Special Payment	-	-	60,000
Calgary Board of Education – Unique Benefit Cost Increases	-	-	7,000
Basic Learning Resource Grants	20,000	19,973	-
Post-Secondary Performance Envelope	10,000	10,048	-
Debt Servicing Costs	4,267	3,096	2,667
Ministry Expense	5,043,287	5,113,225	4,834,049
Loss (Gain) on Disposal of Tangible Capital Assets	-	7	(19)
Ministry Net Operating Results	$ (3,557,996)	$ (3,558,887)	$ (3,463,853)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF LEARNING
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2004

(in thousands)

	2004	2003
Assets		
Cash (Note 3)	$ 69,203	$ 55,720
Accounts Receivable (Note 4)	83,377	40,292
Loans Receivable (Note 5)	110,292	77,374
Inventory	7,860	6,408
Tangible Capital Assets (Note 6)	19,700	10,704
	$ 290,432	$ 190,498
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 106,043	$ 145,078
Allowance for Assessment Adjustments and Appeals	1,688	2,630
Liability for Student Loans Issued (Note 8)	26,697	84,647
Teachers' Pension Obligation (Note 14)	4,094,145	3,964,572
	4,228,573	4,196,927
Net Liabilities		
Net Liabilities at Beginning of Year	(4,006,429)	(3,992,033)
Net Operating Results	(3,558,887)	(3,463,853)
Net Transfer from General Revenues	3,627,175	3,449,457
Net Liabilities at End of Year	(3,938,141)	(4,006,429)
	$ 290,432	$ 190,498

	2004	2003
Net Liabilities at End of Year	$ (3,938,141)	$ (4,006,429)
Less Teachers' Pension Obligation	4,094,145	3,964,572
Net Liabilities Excluding Teachers' Pension Obligation	$ 156,004	$ (41,857)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF LEARNING
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2004

	(in thousands)	
	2004	2003
Operating Transactions		
Net Operating Results	$ (3,558,887)	$ (3,463,853)
Non-cash items included in Net Operating Results		
Amortization	1,532	1,140
Loss (Gain) on Disposal of Tangible Capital Assets	7	(19)
Valuation Adjustments		
- Provision for Teachers' Pension	129,573	74,530
- Provision for Future Cost of Student Loans Issued (Note 8)	14,418	35,967
- Provision for Loan Repayable from Future Appropriation	-	30,700
- Provision for Doubtful Accounts	15	25
- Provision for Vacation Pay	473	570
	(3,412,869)	(3,320,940)
Net Change in Liability for Student Loans Issued	(27,559)	(34,251)
(Increase) Decrease in Accounts Receivable	(43,100)	1,397
(Increase) Decrease in Inventory	(1,452)	129
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(39,508)	25,662
(Decrease) Increase in Allowance for Assessment Adjustment and Appeals	(942)	(18,370)
Cash Applied to Operating Transactions	(3,525,430)	(3,346,373)
Capital Transactions		
Disposal of Tangible Capital Assets	48	19
Net Tangible Capital Assets Transferred to(from) other Ministries	50	-
Acquisition of Tangible Capital Assets (Schedule 7)	(10,633)	(6,388)
Cash Applied to Capital Transactions	(10,535)	(6,369)
Investing Transactions		
Net Change in Loans Receivable	(77,727)	(84,777)
Financing Transactions		
Net Transfer from General Revenues	3,627,175	3,449,457
Increase (Decrease) in Cash	13,483	11,938
Cash, Beginning of Year	55,720	43,782
Cash, End of Year	$ 69,203	$ 55,720

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF LEARNING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Learning has been designated as responsible for various Acts by the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000 and its regulations. To fulfill these responsibilities, the Minister administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of Learning.

Organization	Authority
The Department of Learning	Government Organization Act
Alberta School Foundation Fund	School Act

The purpose of the Ministry is to lead and work with partners to build a globally recognized lifelong learning community that enables Albertans to be responsible, caring, self-reliant and contributing members of a knowledge-based and prosperous society.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

(a) Reporting Entity

The reporting entity is the Ministry of Learning, for which the Minister of Learning is accountable. These consolidated financial statements include the activities of the Department of Learning and the Alberta School Foundation Fund. The Ministry provides funding to school boards, universities, technical institutes, public colleges and the Banff Centre. Details on balances and transactions with these entities are disclosed in Note 4 and Schedules 2, 4 and 5.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

PSAB has released new guidance that controlled entities are to be included and how they are to be included effective April 1, 2005. This may affect how the Ministry reports accountable organizations such as school boards, universities, technical institutes, public colleges and the Banff Centre depending on whether control exists. The Ministry has agreed in principle to include the financial statements of these entities commencing from the fiscal year beginning April 1, 2006, if it is determined that control exists.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for service relating to prior years.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, student loans, loan repayable from future appropriations and teachers' pension.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 10.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

(b) Basis of Financial Reporting (continued)

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale. Inventories held for resale are valued at the lower of cost, determined on a weighted average basis, or estimated net realizable value.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments and the allowance for impaired loans.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $15,000. All land is capitalized.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end. They include the Ministry's obligations for future payments under the Student Financial Assistance Act for guarantees, remissions, risk premiums and interest; an estimate of future payments for property assessment appeals and adjustments and the Province's share of the unfunded pension liability associated with the Teachers' Pension Plan entitlements.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is significant variance between the amount recognized in the financial statements and another reasonably possible amount. The liability for student loans issued amounting to $26,697,000 (2003 - $84,647,000), the allowance for loan relief completion payments amounting to $62,260,000 (2003 - $59,934,000), the allowance for impaired loans amounting to $23,548,000 (2003 - $11,561,000) and the teachers' pension obligation amounting to $4,094,145,000 (2003 - $3,964,572,000) are subject to measurement uncertainty.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty (continued)

The Ministry has made certain assumptions in the determination of the liability for student loans, such as future interest, recovery and default rates. In determining the allowance for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies. The Ministry has made certain assumptions with respect to the recovery and default rates in the determination of the allowance for impaired loans. Changes in these assumptions could materially impact the liability for student loans issued, the allowance for loan relief completion payments and the allowance for impaired loans.

The measurement uncertainty for the teachers' pension obligation arises because actual experience may vary from the assumptions used in the calculation.

Note 8 discloses information on the liability for student loans issued and Note 14 discloses information on the teachers' pension plan.

NOTE 3 CASH

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2004, securities held by the Fund have an average effective market yield of 2.11% per annum (March 31, 2003: 3.23% per annum).

NOTE 4 ACCOUNTS RECEIVABLE

	(in thousands)	
	2004	2003
Government of Canada	$ 12,185	$ 9,295
School Boards	44,129	1,009
Requisitions from Municipalities	23,006	27,945
Accrued Interest Receivable on Loans	548	360
Other	3,509	1,683
	$ 83,377	$ 40,292

Accounts receivable are non-interest bearing, unsecured and reported at their net realizable value.

NOTE 5 LOANS RECEIVABLE

	(in thousands)	
	2004	2003
Loans Receivable	$ 196,100	$ 148,869
Less:		
Allowance for Impaired Loans	(23,548)	(11,561)
Allowance for Loan Relief Completion Payments	(62,260)	(59,934)
	$ 110,292	$ 77,374

Effective August 2001, under the terms of the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students at interest rates prescribed by the Minister of Learning.

Loans receivable are stated at cost net of the allowance for loan relief completion payments and the allowance for impaired loans. Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans receivable are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

The allowance for impaired loans is a general provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates and recovery rates in conjunction with changing economic circumstances.

Loans receivable become payable and interest is earned when students discontinue their studies or graduate. Loans receivable bear interest at either a fixed rate of prime plus 5% or floating rate based on prime plus 2.5% and are repayable to a maximum term of 114 months. When loans receivable are classified as impaired, interest ceases to accrue. Loans receivable are unsecured.

NOTE 6 TANGIBLE CAPITAL ASSETS

		(in thousands)			
		2004			2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment (a)	3-10 years	$ 3,029	$ 1,070	$ 1,959	$ 2,106
Computer Hardware and Software	5 years	27,311	9,570	17,741	8,598
		$ 30,340	$ 10,640	$ 19,700	$ 10,704

(a) Equipment includes office equipment and furniture.

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		(in thousands) 2004	(in thousands) 2003
Accounts Payable		$ 13,829	$ 14,690
Accrued Liabilities	- vacation	6,524	6,010
	- other	40,633	30,342
	- University of Calgary (a)	30,700	30,700
Advances from Government of Canada		5,701	56,119
Unearned Revenue		8,656	7,217
		$ 106,043	$ 145,078

(a) The Ministry has agreed to repay the $30,700,000 loan for a research facility for the University of Calgary. A provision for a loan repayable from future appropriations equivalent to this amount has also been recorded in 2002-03.

NOTE 8 LIABILITY FOR STUDENT LOANS ISSUED

	(in thousands) 2004	(in thousands) 2003
Loan Relief Completion Payments (a)	$ 10,597	$ 62,452
Interest (b)	7,239	11,780
Guarantees (net of estimated recoveries) (c)	7,061	7,531
Risk Premium (d)	1,800	2,884
	$ 26,697	$ 84,647

Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students.

As at March 31, 2004, the outstanding Alberta Student Loans issued by the financial institutions to Alberta students amounted to $235 million (2003 - $301 million). The government fully guarantees $41 million (2003 - $58 million) of these outstanding loans. The authorized guarantee limit set by Order in Council for loans issued under the Student Financial Assistance Act is $400 million.

NOTE 8 LIABILITY FOR STUDENT LOANS ISSUED (CONTINUED)

These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium. This liability is recognized in the year the financial institutions issue loans and is re-evaluated each year to reflect changes in assumptions or new information.

(a) Loan relief completion payments are payable on Alberta Student Loans when a student's combined indebtedness of Canada and Alberta Student Loans exceeds established debt limits. In determining the liability for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies. Changes in these assumptions could materially impact the calculation of the liability for loan relief completion payments.

(b) Interest is paid at a variable rate based on prime for Alberta Student Loans while the students are in school. Interest relief is provided to students who have completed their studies and who meet certain requirements whereby the government pays all or a portion of the interest on the Alberta Student Loan. Changes in assumptions regarding future interest rates will impact the liability for interest.

(c) The liability for guarantees is an estimate of the amount of guaranteed Alberta Student Loans which will go into default, less the amount that will subsequently be recovered from students. The key assumptions used to determine this liability are the default and recovery rates.

(d) A risk premium of either 5% or 8% on Alberta Student Loans is paid to the respective financial institutions six months after students complete their studies. This premium eliminates the need for the government to provide further loan guarantees on most student loans outstanding.

Effective August 2001, the Ministry adopted automatic loan relief completion payments on student loans. Previously, students needed to apply for loan relief. Students who had completed their studies prior to August 2001 and had not yet applied for loan relief were given a deadline of July 31, 2003 to do so, or lose their entitlement.

At March 31, 2003, $39,771,000 of loan relief entitlements was outstanding for students who had completed their studies prior to August 2001. The Ministry estimated that students would not apply for approximately $35,000,000 of loan relief completion payments. The Auditor General reported this difference in the Auditor's Report for the 2002-2003 financial statements.

NOTE 8 LIABILITY FOR STUDENT LOANS ISSUED (CONTINUED)

In the current year, students completing their studies prior to August 2001 did not apply for approximately $35,000,000 in loan relief completion payments and the Ministry adjusted the provision for future cost of student loans issued accordingly.

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Current Year Provision for Student Loans	$ 35,000	$ 49,418	$ 35,967
Adjustment for Expired Loan Relief Entitlement		(35,000)	-
Provision for Future Cost of Student Loans Issued	$ 35,000	$ 14,418	$ 35,967

NOTE 9 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. The fair values of loans receivable, liability for student loans issued, and allowance for assessment adjustments and appeals are not reported due to there being no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

NOTE 10 COMMITMENTS

As at March 31, 2004, the Ministry has $29,827,000 (2003 - $34,051,492) in commitments relating to service and grant contracts. The Ministry has approved $3,157,000 (2003 - $3,037,000) of loans to students which have not been cashed by students as at March 31, 2004.

NOTE 11 CONTINGENCIES

The Ministry has entered into indemnity agreements with school jurisdictions that have been named in residential school claims. The resulting loss, if any, from these indemnity agreements cannot be determined.

At March 31, 2004, the Ministry is a defendant in four legal claims (2003 – four legal claims). Three of these claims have specified amounts totalling $95,700,000 and the remaining one has no specified amount (2003 – two claims with specified amounts totaling $1,350,000 and the remaining two with no specified amount). Two claims amounting to $94,500,000 and one claim with no specified amount (2003 – one claim amounting to $150,000 and two with no specified amount) are covered by Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 12 TRUST FUNDS UNDER ADMINISTRATION

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

At March 31, 2004, trust funds under administration were as follows:

	(in thousands)			
	2004			2003
	Total Assets	Total Liabilities	Net Assets (Net Liabilities)	Net Assets (Net Liabilities)
Department of Learning General Trust	$ 53	$ 53	$ -	$ -
Department of Learning Endowment Fund	174	-	174	171
Teachers' Pension Plan Funds	2,876,000	8,978,000	(6,102,000)	(5,876,000)
Mildred Rowe Weston Estate Trust	74	-	74	76
	$ 2,876,301	$ 8,978,053	$ (6,101,752)	$ (5,875,753)

NOTE 13 PAYMENTS UNDER AGREEMENT

The Ministry has entered into several agreements to deliver programs on behalf of third parties, which include the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the Financial Administration Act, Section 25. Accounts receivable includes $10,527,000 (2003 – $8,002,000) and accounts payable and accrued liabilities includes $5,686,000 (2003 - $3,818,000) relating to payments under agreement.

Amounts paid under agreements on behalf of third parties are as follows:

	(in thousands)	
	2004	2003
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ 27,819	$ 26,621
Government of Canada		
Canada Study Grants	9,788	8,885
Immigration Settlement Services	47	-
French Minority Language Education and French Second Language Instruction	9,464	9,160
South Africa Teacher Development Program	1,139	717
Interprovincial Computerized Exam Management System	-	68
Alberta School Boards		
International Student Program	4	5
Western Provinces		
French Math Resources	100	200
	$ 48,361	$ 45,656

NOTE 14 DEFINED BENEFIT PLANS

Teachers' Pension Plan

The Alberta Teachers' Retirement Fund Board is a trustee and administrator of the Teachers' Pension Plan. The Alberta Teachers' Retirement Fund Board operates under the authority of the Teachers' Pension Plans Act. The Act requires all teachers under contract with public and separate school jurisdictions in Alberta to contribute to the Teachers' Pension Plan.

Under the Teachers' Pension Plans Act, the unfunded liability for service credited prior to September 1, 1992 is being financed by additional contributions in the ratio of 67.35 percent by the Province and 32.65 percent by the teachers over the period ending August 31, 2060. In addition, for service after August 1992, the Province funds 50 per cent of the post- 1992 unfunded liability, any current service costs and related actuarial adjustments, including certain cost-of-living benefits. The Act provides that payment of all benefits prior to September 1, 1992 is guaranteed by the Province.

The teachers' pension obligation is based upon actuarial valuations performed at least triennially using the projected benefit method prorated on services. The assumptions used in the valuation are adopted after consultations between the pension plan board, the government and the actuaries, and represent best estimates of future events. The plan's future experience will inevitably vary, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. Gains and losses are amortized over the expected average remaining service lives of the related employees.

The latest actuarial valuation was performed on August 31, 2002. This valuation was based upon economic assumptions, including a long-term rate of return on pension plan fund assets of 4.5 percent over the level of price inflation. The rate was based upon a long-term rate of return of 7.5 percent per annum and price inflation of 3.0 per cent. Demographic assumptions used in the valuation reflect the experience of the plan.

The valuation indicated a deficiency of net assets over the actuarial present value of accrued benefits. The unfunded liability was extrapolated to March 31, 2004, and includes deferred adjustments. The Ministry's portion of the teachers' pension obligation is $4,094,145,000 as at March 31, 2004 (2003 - $3,964,572,000). The Ministry's portion of the unamortized deferred experience gains and losses is $55,757,000 (2003 - $85,247,000).

In the Statement of Operations, amounts for current service of $135,361,000 (2003 - $121,762,000) and amounts for the unfunded liability of $119,795,000 (2003 - $117,975,000) are reported. In addition, a provision of $129,573,000 (2003 - $74,530,000) shown as a valuation adjustment has been recorded to recognize the estimated impact on the obligation as a result of estimated changes in the value of the plan's assets and the amortization of experience gains and losses.

NOTE 14 DEFINED BENEFIT PLANS (CONTINUED)

Section 26 of the Teachers' Pension Plans Act requires the Government to contribute towards the teachers' share of the pre-1992 unfunded liability for service credited between September 1, 2002 and August 31, 2003. A one-time contribution of $60,000,000 towards the unfunded pre-1992 pension liability was made by the Province on behalf of teachers in 2002-03.

Other Pension Plans

The Ministry participates in the multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $5,187,000 for the year ended March 31, 2004 (2003 - $4,099,000).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014,000 (2002 – deficiency of $301,968,000) and the Public Service Pension Plan reported an actuarial deficiency of $596,213,000 (2002 – actuarial deficiency of $175,528,000). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312,000 (2002 – actuarial surplus of $6,472,000).

The Ministry also participates in two multiemployer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766,000 (2003 – deficiency of $14,434,000) and the Management, Opted Out and Excluded Plan an actuarial surplus of $1,298,000 (2003 – deficiency of $3,053,000). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 15 COMPARATIVE FIGURES

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

NOTE 16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF LEARNING
SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Schedule 1

Revenues	2004 Budget (in thousands)	2004 Actual (in thousands)	2003 Actual (in thousands)
Provincial Education Property Taxes	$ 1,165,000	$ 1,177,717	$ 1,112,792
Internal Government Transfers			
Lottery Fund	116,400	116,400	84,100
Alberta Heritage Scholarship Fund	21,145	22,225	20,994
	137,545	138,625	105,094
Transfers from the Government of Canada			
Canadian Health and Social Transfers	140,988	187,120	114,270
Canada Student Loans Administration	1,044	1,078	1,080
Other	250	285	230
	142,282	188,483	115,580
Sales of Learning Resources			
Sales of Learning Resources	30,903	35,136	25,844
Premiums, Fees and Licences			
Marketing Apprenticeship	2,200	2,511	2,193
High School Transcripts	700	933	864
Teacher Certificate Fees	650	734	795
Industry Canada Grassroots Project	400	960	277
Diploma Exam Rewrite Fees	456	491	490
Trade School Licence Fee	160	92	138
International Qualifications Assessment Service	271	205	224
Other	53	63	66
	4,890	5,989	5,047
Other Revenue			
Investment Income	3,445	3,699	2,223
Refunds of Expenditure	1,200	4,573	3,441
Miscellaneous	26	123	156
	4,671	8,395	5,820
Total Revenues	$ 1,485,291	$ 1,554,345	$ 1,370,177

Schedule 2

Expenses - Directly Incurred by Object

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Grants			
School Boards (Schedule 4)	$ 3,066,804	$ 3,129,193	$ 2,944,788
Public Post-Secondary Institutions (Schedule 5)	1,114,690	1,159,177	1,062,584
Private Post-Secondary Institutions (Schedule 5)	14,058	14,526	13,069
Teachers' Pension			
Current Service and Contribution on Behalf of Teachers	142,349	135,361	181,762
Past Service	126,000	119,795	117,975
Private Schools	109,912	115,908	112,158
Learners	89,445	88,595	79,992
Provision for Future Cost of Student Loans Issued (Note 8)	35,000	14,418	35,967
Other	34,659	25,278	23,773
	4,732,917	4,802,251	4,572,068
Salaries, Wages and Employee Benefits	68,624	71,192	65,134
Supplies and Services	107,397	107,025	85,790
Amortization of Tangible Capital Assets	2,984	1,532	1,140
Valuation Adjustments	127,005	130,061	105,825
Other	4,360	3,256	6,082
	5,043,287	5,115,317	4,836,039
Less:			
Recoveries from Support Service Arrangements with Related Parties (a)	-	(2,092)	(1,990)
	$ 5,043,287	$ 5,113,225	$ 4,834,049

(a) The Ministry provides financial, human resource and administrative services to the Ministry of International and Intergovernmental Relations $53 (2003 - $45), the Ministry of Aboriginal Affairs and Northern Development $59 (2003 - $45), and information technology support services to the Ministry of Human Resources and Employment $1,980 (2003 - $1,900). Costs for these services are recovered from the respective ministries.

Schedule 3

Budget

	(in thousands)		
		2004	
	Budget	Authorized Supplementary (a)	Authorized Budget
Revenues			
School Property Taxes	$ 1,165,000	$ -	$ 1,165,000
Internal Government Transfers	137,545	-	137,545
Transfers from Government of Canada	142,282	-	142,282
Sales of Learning Resources	30,903	4,600	35,503
Premiums, Fees and Licences	4,890	437	5,327
Other Revenue	4,671	-	4,671
	1,485,291	5,037	1,490,328
Expenses - Directly Incurred			
Operating Support to Public and Separate Schools	3,144,731	41,000	3,185,731
Teachers' Pension	395,349	(4,800)	390,549
Private Schools Support	109,912	5,000	114,912
Provincial Initiatives	65,602	-	65,602
Other Basic Learning Support	37,955	4,600	42,555
Student Health Services	29,118	-	29,118
	3,782,667	45,800	3,828,467
Less: Property Tax Support to Opted-Out Separate School Boards	(162,000)	-	(162,000)
Total Basic Learning Support	3,620,667	45,800	3,666,467
Assistance to Post-Secondary Institutions	1,122,243	45,000	1,167,243
Support to Post-Secondary Learners	133,155	(11,500)	121,655
Total Adult Learning Support	1,255,398	33,500	1,288,898
Apprenticeship Delivery	16,193	300	16,493
Ministry Support Services	29,505	8	29,513
Program Delivery Support	87,257	129	87,386
Total Expenses Before One-Time Initiatives and Debt Servicing Costs	5,009,020	79,737	5,088,757
Basic Learning Resource Grants	20,000	-	20,000
Post-Secondary Performance Envelope	10,000	-	10,000
Debt Servicing Costs	4,267	-	4,267
Ministry Expense	5,043,287	79,737	5,123,024
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-
Ministry Net Operating Results	$ (3,557,996)	$ (74,700)	$ (3,632,696)
Capital Investment	$ 6,522	$ 4,170	$ 10,692
Non-Budgetary Disbursements	$ 141,300	$ -	$ 141,300

(a) Supplementary estimates were approved on December 4, 2003 and March 11, 2004.

Schedule 4

Funding Provided to School Boards

	(in thousands)				
	Funding Framework (a) (e)	**Provincial Initiatives (b)**	**Student Health (c)**	**Opted Out (d)**	**Ministry Total**
Almadina School Society	$ 2,812	$ 43	$ -	$ -	$ 2,855
Aspen View Regional Division No. 19	24,625	434	-	-	25,059
Aurora School Ltd.	2,099	16	-	-	2,115
Battle River Regional Division No. 31	48,340	897	-	-	49,237
Black Gold Regional Division No. 18	48,363	1,015	514	-	49,892
Boyle Street Education Centre	1,129	9	-	-	1,138
Buffalo Trail Public Schools Regional Division No. 28	31,955	566	-	-	32,521
Calgary Roman Catholic Separate School District No. 1	238,034	5,141	7,810	(73,389)	177,596
Calgary School District No. 19	554,590	11,692	-	-	566,282
Calgary Science School Society	2,216	10	-	-	2,226
Canadian Rockies Regional Division No. 12	13,636	309	-	-	13,945
CAPE - Centre for Academic and Personal Excellence Institute	860	20	-	-	880
Chinook's Edge School Division No. 73	63,579	1,304	-	-	64,883
Christ the Redeemer Catholic Separate Regional Division No. 3	28,984	573	-	(3,528)	26,029
Clearview School Division No. 71	18,095	326	1,137	-	19,558
East Central Alberta Catholic Separate School Regional Division No. 16	15,495	414	-	(915)	14,994
East Central Francophone Education Region No. 3	4,134	23	-	-	4,157
Edmonton Catholic Separate School District No. 7	173,910	3,608	5,341	(44,074)	138,785
Edmonton School District No. 7	453,646	9,613	17	-	463,276
Elk Island Catholic Separate Regional Division No. 41	33,110	677	-	(5,282)	28,505
Elk Island Public Schools Regional Division No. 14	93,954	1,913	2,451	-	98,318
Evergreen Catholic Separate Regional Division No. 2	11,571	254	-	(2,225)	9,600
Foothills School Division No. 38	39,693	806	787	-	41,286
Fort McMurray Roman Catholic Separate School District No. 32	26,110	457	38	(1,081)	25,524
Fort McMurray School District No. 2833	31,722	558	729	-	33,009
Fort Vermilion School Division No. 52	23,708	420	193	-	24,321
Foundations for the Future Charter Academy Charter School Society	7,618	127	7	-	7,752
Golden Hills School Division No. 75	38,587	779	562	-	39,928
Grande Prairie Roman Catholic Separate School District No. 28	18,713	368	53	(3,188)	15,946

Schedule 4 (continued)

Funding Provided to School Boards

	(in thousands)				
	Funding Framework (a) (e)	**Provincial Initiatives (b)**	**Student Health (c)**	**Opted Out (d)**	**Ministry Total**
Grande Prairie School District No. 2357	31,812	656	1,052	-	33,520
Grande Yellowhead Regional Division No. 35	35,703	686	934	-	37,323
Grasslands Regional Division No. 6	23,363	437	1,099	-	24,899
Greater North Central Francophone Education Region No. 2	13,677	193	71	-	13,941
Greater Southern Public Francophone Education Region No. 4	2,976	19	-	-	2,995
Greater Southern Separate Catholic Francophone Education Region No. 4	4,441	68	-	-	4,509
Greater St. Albert Catholic Regional Division No. 29	41,063	883	736	-	42,682
High Prairie School Division No. 48	23,236	435	474	-	24,145
Holy Family Catholic Regional Division No. 37	13,986	277	353	(1,170)	13,446
Holy Spirit Roman Catholic Separate Regional Division No. 4	26,050	526	17	(5,435)	21,158
Horizon School Division No. 67	23,458	414	-	-	23,872
Lakeland Roman Catholic Separate School District No. 150	12,518	259	-	(1,302)	11,475
Lethbridge School District No. 51	47,529	962	-	-	48,491
Living Waters Catholic Regional Division No. 42	13,254	268	-	(1,653)	11,869
Livingstone Range School Division No. 68	27,847	548	-	-	28,395
Lloydminster Public School Division	11,030	226	-	(3,908)	7,348
Lloydminster Roman Catholic Separate School Division	5,394	117	-	(762)	4,749
Medicine Hat Catholic Separate Regional Division No. 20	15,648	313	-	(2,948)	13,013
Medicine Hat School District No. 76	36,154	743	-	-	36,897
Moberly Hall School Society	202	10	-	-	212
New Horizons Charter School Society	780	14	-	-	794
Northern Gateway Regional Division No. 10	35,732	677	-	-	36,409
Northern Lights School Division No. 69	41,136	754	-	-	41,890
Northland School Division No. 61	20,749	343	-	-	21,092
Northwest Francophone Education Region No. 1	2,861	31	-	-	2,892
Palliser Regional Division No. 26	26,181	462	-	-	26,643
Parkland School Division No. 70	55,483	1,081	-	-	56,564
Peace River School Division No. 10	25,224	432	-	-	25,656
Peace Wapiti Regional Division No. 33	38,371	634	-	-	39,005
Pembina Hills Regional Division No. 7	34,868	747	979	-	36,594
Prairie Land Regional Division No. 25	14,690	146	40	-	14,876
Prairie Rose Regional Division No. 8	29,303	430	-	-	29,733
Red Deer Catholic Regional Division No. 39	33,060	603	-	(4,191)	29,472

Schedule 4 (continued)

Funding Provided to School Boards

	(in thousands)				
	Funding Framework (a) (e)	**Provincial Initiatives (b)**	**Student Health (c)**	**Opted Out (d)**	**Ministry Total**
Red Deer School District No. 104	55,397	1,107	-	-	56,504
Rocky View School Division No. 41	85,029	1,713	-	-	86,742
St. Albert Protestant Separate School District No. 6	35,341	771	17	(6,490)	29,639
St. Paul Education Regional Division No. 1	21,416	480	-	-	21,896
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	12,016	257	-	(1,822)	10,451
Sturgeon School Division No. 24	31,539	563	-	-	32,102
Suzuki Charter School Society	531	13	-	-	544
Westmount Charter School Society	4,423	81	-	-	4,504
Westwind School Division No. 74	23,125	494	1,925	-	25,544
Wetaskiwin Regional Division No. 11	28,659	537	635	-	29,831
Wild Rose School Division No. 66	34,007	676	-	-	34,683
Wolf Creek School Division No. 72	47,029	931	2,617	-	50,577
	$ 3,197,579	$ 64,389	$ 30,588	$ (163,363)	$ 3,129,193

(a) Funding Framework combines the instruction and support block funding with other enrollment driven funding.

(b) Provincial Initiatives provides funding, that is in addition to basic funding, to school authorities for specific local initiatives to improve student learning and performance.

(c) Student Health is a cross-government initiative. Funding is allocated to all school jurisdictions as well as funded private schools and private early childhood services operators. The funding is distributed to selected school jurisdictions who administer the program for their partners.

(d) Opted out separate school boards, which have passed a resolution pursuant to section 171(2) of the School Act, have the authority to requisition and collect from municipalities levies on their declared residential and non-residential property at a rate of not less than the provincial rate applied in that municipality. These amounts collected from municipalities are shown as a reduction to funding from the Ministry.

(e) Funding Framework includes education property tax directly requisitioned by opted out school boards from their municipalities.

Schedule 5

Funding Provided to Post-Secondary Institutions

(in thousands)

	Operating and Conditional Funding	Access Fund	Other (a)	Total
PUBLIC				
Colleges				
Alberta College of Art and Design	$ 7,060	$ 793	$ 251	$ 8,104
Bow Valley College	14,093	1,385	975	16,453
Fairview College	12,771	1,212	859	14,842
Grande Prairie Regional College	15,571	405	752	16,728
Grant MacEwan College	40,919	7,988	4,489	53,396
Keyano College	18,847	1,120	743	20,710
Lakeland College	18,926	940	699	20,565
Lethbridge Community College	21,099	2,712	2,141	25,952
Medicine Hat College	14,778	2,204	592	17,574
Mount Royal College	40,230	5,662	1,944	47,836
NorQuest College	17,204	2,013	1,255	20,472
Northern Lakes College	17,059	777	583	18,419
Olds College	14,295	724	1,392	16,411
Portage College	12,592	652	631	13,875
Red Deer College	22,015	2,441	890	25,346
Technical Institutes				
Northern Alberta Institute of Technology	80,024	14,371	3,819	98,214
Southern Alberta Institute of Technology	71,714	15,830	3,305	90,849
Universities				
Athabasca University	18,570	4,436	897	23,903
The University of Alberta	281,045	27,727	15,523	324,295
The University of Calgary	182,220	30,626	7,800	220,646
The University of Lethbridge	45,285	6,245	1,875	53,405
Banff Centre				
The Banff Centre for Continuing Education	10,878	5	299	11,182
Total	$ 977,195	$ 130,268	$ 51,714	$ 1,159,177
PRIVATE				
Colleges				
Augustana University College	$ 3,813	$ -	$ 148	$ 3,961
Canadian University College	1,303	-	45	1,348
Concordia University College of Alberta	5,479	840	228	6,547
The King's University College	2,049	464	89	2,602
Private Vocational Schools				
Columbia College	-	68	-	68
Total	$ 12,644	$ 1,372	$ 510	$ 14,526

(a) Other funding supports initiatives like Inmate Programs and Community Adult Learning Programs.

Schedule 6

Statement of Alberta Heritage Scholarship Fund Expenses

	(Expenses in thousands)					
	Actual				Cumulative	
	2004		2003		1981-2004	
	Number of Recipients	Expenses	Number of Recipients	Expenses	Number of Recipients	Expenses
Rutherford	8,788	$ 16,388	8,417	$ 15,570	129,287	$ 169,772
McKinney	909	2,252	921	2,293	18,962	49,467
Graduate Scholarships	188	1,810	148	1,442	1,748	16,841
Lougheed	15	265	15	265	481	6,708
Steinhauer	15	265	15	270	472	6,396
United World College	16	422	16	424	168	3,821
Other Heritage Scholarships	693	823	582	730	6,750	5,895
	10,624	$ 22,225	10,114	$ 20,994	157,868	$ 258,900

The Alberta Heritage Scholarship Fund is designed to reward Albertans for excellence and outstanding achievement. Alberta Heritage Scholarship Fund expenses of $22,225 are included in Support to Post Secondary Learners on the Consolidated Statement of Operations.

Schedule 7

Purchase of Capital Assets

By Type

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Equipment	$ 925	$ 91	$ 1,395
Computer hardware and software	5,597	10,542	4,993
	$ 6,522	$ 10,633	$ 6,388

Schedule 8

Voted Non-Budgetary Disbursements by Program

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Support for Basic Learning			
Learning Resources:			
Changes in learning resources inventory during the year	$ 1,000	$ 1,452	$ (129)
Support to Adult Learners			
Cost of Student Loans Issued:			
Student loans servicing cost	12,900	6,259	12,414
Student loan relief completion payments	19,400	22,980	22,960
Student loan disbursements	108,000	87,609	88,754
	140,300	116,848	124,128
	$ 141,300	$ 118,300	$ 123,999

Non-budgetary disbursements represent changes in learning resources inventory during the year, payments made during the year which are applied against the liability for student loans, and financing of Alberta student loans.

Schedule 9

Related Party Transactions

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The following transactions with related parties are recorded at the amount of consideration agreed upon between the related parties.

Schedule 9 (Continued)

Related Party Transactions

	(in thousands)	
	2004	2003
Revenue		
Internal Government Transfers		
Lottery Fund	$ 116,400	$ 84,100
Alberta Heritage Scholarship Fund	22,225	20,994
	$ 138,625	$ 105,094
Expenses		
Supplies and Services from Other Ministries	$ 11,307	$ 10,131
Other Expenses - Alberta Heritage Scholarship Fund	0	3,280
Interest on Advances from General Revenues	3,096	2,667
	$ 14,403	$ 16,078
Net Tangible Capital Assets Transferred to (from) other Ministries	$ 50	$ -
Receivable from Related Parties	$ -	$ 691

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 10.

	(in thousands)	
	2004	2003
Expenses - Incurred by Others		
Accommodation	$ 10,510	$ 12,085
Legal Services	609	751
	$ 11,119	$ 12,836

Schedule 10

Allocated Costs

(in thousands)

Program	2004				2003
		Expenses - Incurred by Others			
	Expenses [(1)]	Accommodation Costs [(2)]	Legal Services [(3)]	Total Expenses	Total Expenses
Operating Support to Public and Separate Schools	$ 3,060,043	$ 3,698	$ -	$ 3,063,741	$ 2,800,779
Teachers' Pension	384,730	465	-	385,195	374,920
Private Schools Support	110,876	134	-	111,010	68,038
Provincial Initiatives	64,603	78	-	64,681	172,322
Other Basic Learning Support	40,875	49	-	40,924	30,854
Student Health	30,718	37	-	30,755	30,443
Assistance to Post Secondary Institutions	1,173,692	2,794	-	1,176,486	1,109,465
Support to Post Secondary Learners	112,583	135	-	112,718	124,134
Apprenticeship Delivery	16,006	38	-	16,044	15,809
Ministry Support Services	28,608	2,973	609	32,190	31,162
Program Delivery Support	90,491	109	-	90,600	88,959
	$ 5,113,225	$ 10,510	$ 609	$ 5,124,344	$ 4,846,885

(1) Expenses – Directly Incurred as per Statement of Operations. Operating support to public and separate schools includes basic learning resource grants and debt servicing costs. Assistance to post-secondary institutions includes post-secondary performance envelope.

(2) Costs shown for Accommodation on Schedule 9, allocated by square footage.

(3) Costs shown for Legal Services on Schedule 9, allocated by estimated costs incurred by each program.

DEPARTMENT OF LEARNING

FINANCIAL STATEMENTS

MARCH 31, 2004

Auditor's Report

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Statement of Cash Flow

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Schedule 6 - Salary and Benefits Disclosure

Schedule 7 - Related Party Transactions

Schedule 8 - Allocated Costs

AUDITOR
GENERAL
Alberta

Auditor's Report

To the Minister of Learning

I have audited the statement of financial position of the Department of Learning as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

DEPARTMENT OF LEARNING
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2004

	(in thousands)		
	2004		2003
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	$ 137,545	$ 138,625	$ 105,094
Transfers from Government of Canada	142,282	188,483	115,580
Investment Income	2,645	3,208	1,699
Premiums, Fees and Licences	4,890	5,989	5,047
Other Revenue	32,129	39,832	29,441
	319,491	376,137	256,861
Expenses - Directly Incurred (Note 2b)			
Voted (Schedules 3 and 5):			
Ministry Support Services	29,505	28,503	27,489
Support for Basic Learning	2,277,286	2,331,515	2,232,349
Support for Adult Learning	1,177,186	1,218,643	1,122,993
Support to Adult Learners	84,360	82,434	72,569
	3,568,337	3,661,095	3,455,400
Statutory (Schedule 5):			
Alberta Heritage Scholarships	21,145	22,225	20,994
Teachers' Pensions (Note 13)	126,000	119,795	117,975
Valuation Adjustments:			
Provision for Teachers' Pension (Note 13)	127,000	129,573	74,530
Provision for Future Cost of Student Loans Issued (Note 7)	35,000	14,418	35,967
Provision for Loan Repayable from Future Appropriations	-	-	30,700
Provision for Doubtful Accounts	5	15	25
Provision for Vacation Pay	-	473	570
	309,150	286,499	280,761
Total Department Expenses	3,877,487	3,947,594	3,736,161
Loss (Gain) on Disposal of Tangible Capital Assets		7	(19)
Net Operating Results	$ (3,557,996)	$ (3,571,464)	$ (3,479,281)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF LEARNING
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2004

	(in thousands)	
	2004	2003
Assets		
Cash	$ 2,341	$ 3,096
Accounts Receivable (Note 3)	56,521	12,282
Loans Receivable (Note 4)	110,292	77,374
Inventory	7,860	6,408
Tangible Capital Assets (Note 5)	19,700	10,704
	$ 196,714	$ 109,864
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 92,061	$ 132,545
Liability for Student Loans Issued (Note 7)	26,697	84,647
Teachers' Pension Obligation (Note 13)	4,094,145	3,964,572
	4,212,903	4,181,764
Net Liabilities		
Net Liabilities at Beginning of Year	(4,071,900)	(4,042,076)
Net Operating Results	(3,571,464)	(3,479,281)
Net Transfer from General Revenues	3,627,175	3,449,457
Net Liabilities at End of Year	(4,016,189)	(4,071,900)
	$ 196,714	$ 109,864
Net Liabilities at End of Year	$ (4,016,189)	$ (4,071,900)
Less Teachers' Pension Obligation	4,094,145	3,964,572
Net Liabilities Excluding Teachers' Pension Obligation	$ 77,956	$ (107,328)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF LEARNING
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2004

	(in thousands)	
	2004	2003
Operating Transactions		
Net Operating Results	$ (3,571,464)	$ (3,479,281)
Non-Cash Items included in Net Operating Results		
Amortization	1532	1,140
Loss (Gain) on Disposal of Tangible Capital Assets	7	(19)
Valuation Adjustments		
- Provision for Teachers' Pension	129,573	74,530
- Provision for Future Cost of Student Loans Issued (Note 7)	14,418	35,967
- Provision for Loan Repayable from Future Appropriation	-	30,700
- Provision for Doubtful Accounts	15	25
- Provision for Vacation Pay	473	570
	(3,425,446)	(3,336,368)
Net Change in Liability for Student Loans Issued	(27,559)	(34,251)
(Increase) Decrease in Accounts Receivable	(44,254)	(55)
(Increase) Decrease in Inventory	(1,452)	129
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(40,957)	13,634
Cash Applied to Operating Transactions	(3,539,668)	(3,356,911)
Capital Transactions		
Disposal of Tangible Capital Assets	48	19
Net Tangible Capital Assets Transferred to (from) other Ministries	50	-
Acquisition of Tangible Capital Assets (Schedule 5)	(10,633)	(6,388)
Cash Applied to Capital Transactions	(10,535)	(6,369)
Investing Transactions		
Net Change in Loans Receivable	(77,727)	(84,777)
Financing Transactions		
Net Transfer from General Revenues	3,627,175	3,449,457
Increase (Decrease) in Cash	(755)	1,400
Cash, Beginning of Year	3,096	1,696
Cash, End of Year	$ 2,341	$ 3,096

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF LEARNING
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 AUTHORITY AND PURPOSE

The Department of Learning operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000. The purpose of the Department is to lead and work with stakeholders to build a globally recognized lifelong learning community that enables Albertans to be responsible, caring, self-reliant and contributing members of a knowledge-based and prosperous society.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Department of Learning, which is part of the Ministry of Learning and for which the Minister of Learning is accountable. The only other entity reporting to the Minister is the Alberta School Foundation Fund. The activities of this organization are not included in these financial statements. The Department provides funding to school boards, universities, technical institutes, public colleges and the Banff Centre. Details on balances and transactions with these entities are disclosed in Note 3 and Schedules 3 and 5.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by the departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

(b) Basis of financial reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc. directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year, and additional Government contributions for service relating to prior years.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

(b) Basis of financial reporting (continued)

Expenses (continued)

Directly Incurred (continued)

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, student loans, loan repayable from future appropriations and teachers' pension.

Incurred by Others

Services contributed by other entities in support of the Department operations are disclosed in Schedule 8.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale. Inventories held for resale are valued at the lower of cost, determined on a weighted average basis, or estimated realizable value.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments and the allowance for impaired loans.

Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $15,000. All land is capitalized.

Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end. They include the Department's obligation for future payments under the Student Financial Assistance Act for guarantees, remissions, risk premiums and interest; and the Province's share of the unfunded pension liability associated with the Teachers' Pension Plan entitlements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

(b) Basis of financial reporting (continued)

Net Liabilities

Net liabilities represents the difference between the value of assets held by the Department and its liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. The liability for student loans issued amounting to $26,697,000 (2003 - $84,647,000), the allowance for loan relief completion payments amounting to $62,260,000 (2003 - $59,934,000), the allowance for impaired loans amounting to $23,548,000 (2003 - $11,561,000) and the teachers' pension obligation amounting to $4,094,145,000 (2003 - $3,964,572,000) are subject to measurement uncertainty. The Department has made certain assumptions in the determination of the liability for student loans, such as future interest, recovery and default rates. In determining the allowance for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies. The Department has made certain assumptions with respect to the recovery and default rates in the determination of the allowance for impaired loans. Changes in these assumptions could materially impact the liability for student loans issued, the allowance for loan relief completion payments and the allowance for impaired loans.

The measurement uncertainty for teachers' pension obligation arises because actual experience may vary from the assumptions used in the calculation.

Note 7 discloses information on the liability for student loans issued and Note 13 discloses information on the teachers' pension plan.

NOTE 3 ACCOUNTS RECEIVABLE

	(in thousands) 2004	2003
Government of Canada	$ 12,185	$ 9,295
School Boards	40,279	945
Accrued Interest Receivable on Loans (Note 4)	548	360
Other	3,509	1,682
	$ 56,521	$ 12,282

Accounts receivable are non-interest bearing, unsecured and reported at their net realizable value.

NOTE 4 LOANS RECEIVABLE

	(in thousands) 2004	2003
Loans Receivable	$ 196,100	$ 148,869
Less:		
Allowance for Impaired Loans	(23,548)	(11,561)
Allowance for Loan Relief Completion Payments	(62,260)	(59,934)
	$ 110,292	$ 77,374

Effective August 2001, under the terms of the Alberta Student Loan Program, loans are provided by the Department to qualifying students at interest rates prescribed by the Minister of Learning.

Loans receivable are stated at cost net of the allowance for loan relief completion payments and the allowance for impaired loans. Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans receivable are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

The allowance for impaired loans is a general provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates and recovery rates in conjunction with changing economic circumstances.

NOTE 4 LOANS RECEIVABLE (CONTINUED)

Loans receivable become payable and interest is earned when students discontinue their studies or graduate. Loans receivable bear interest at either a fixed rate of prime plus 5% or floating rate based on prime plus 2.5% and are repayable to a maximum term of 114 months. When loans receivable are classified as impaired, interest ceases to accrue. Loans receivable are unsecured.

NOTE 5 TANGIBLE CAPITAL ASSETS

		(in thousands)			
		2004			2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment (a)	3-10 years	$ 3,029	$ 1,070	$ 1,959	$ 2,106
Computer Hardware and Software	5 years	27,311	9,570	17,741	8,598
		$ 30,340	$ 10,640	$ 19,700	$ 10,704

(a) Equipment includes office equipment and furniture.

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		(in thousands)	
		2004	2003
Accounts Payable		$ 13,829	$ 14,690
Accrued Liabilities	- vacation	6,524	6,010
	- other	34,364	24,128
	- University of Calgary (a)	30,700	30,700
Advances from Government of Canada		5,701	56,119
Unearned Revenue		943	898
		$ 92,061	$ 132,545

(a) The Department has agreed to repay the $30,700,000 loan for a research facility for the University of Calgary. A provision for a loan repayable from future appropriations equivalent to this amount has also been recorded in 2003.

NOTE 7 LIABILITY FOR STUDENT LOANS ISSUED

	(in thousands)	
	2004	2003
Loan Relief Completion Payments (a)	$ 10,597	$ 62,452
Interest (b)	7,239	11,780
Guarantees (net of estimated recoveries) (c)	7,061	7,531
Risk Premium (d)	1,800	2,884
	$ 26,697	$ 84,647

Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students.

NOTE 7 LIABILITY FOR STUDENT LOANS ISSUED (CONTINUED)

As at March 31, 2004, the outstanding Alberta Student Loans issued by the financial institutions to Alberta students amounted to $235 million (2003 - $301 million). The Government fully guarantees $41 million (2003 - $58 million) of these outstanding loans. The authorized guarantee limit set by Order in Council for loans issued under the Student Financial Assistance Act is $400 million.

These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium. This liability is recognized in the year the financial institutions issue loans and is re-evaluated each year to reflect changes in assumptions or new information.

(a) Loan relief completion payments are payable on Alberta Student Loans when a student's combined indebtedness of Canada and Alberta Student Loans exceeds established debt limits. In determining the liability for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies. Changes in these assumptions could materially impact the calculation of the liability for loan relief completion payments.

(b) Interest is paid at a variable rate based on prime on Alberta Student Loans while the students are in school. Interest relief is provided to students who have completed their studies and who meet certain requirements whereby the Government pays all or a portion of the interest on the Alberta Student Loan. Changes in assumptions regarding future interest rates will impact the liability for interest.

(c) The liability for guarantees is an estimate of the amount of guaranteed Alberta Student Loans which will go into default, less the amount that will subsequently be recovered from students. The key assumptions used to determine this liability are the default and recovery rates.

(d) A risk premium of either 5% or 8% on Alberta Student Loans is paid to the respective financial institutions six months after students complete their studies. This premium eliminates the need for the government to provide further loan guarantees to financial institutions.

Effective August 2001, the Department adopted automatic loan relief completion payments on student loans. Previously, students needed to apply for loan relief. Students who had completed their studies prior to August 2001 and had not yet applied for loan relief were given a deadline of July 31, 2003 to do so, or lose their entitlement.

At March 31, 2003, $39,771,000 of loan relief entitlements was outstanding for students who had completed their studies prior to August 2001. The Department estimated that students would not apply for approximately $35,000,000 of loan relief completion payments. The Auditor General reported this difference in the Auditor's Report for the 2002-2003 financial statements.

NOTE 7 LIABILITY FOR STUDENT LOANS ISSUED (CONTINUED)

In the current year, students completing their studies prior to August 2001 did not apply for approximately $35,000,000 in loan relief completion payments and the Department adjusted the provision for future cost of student loans issued accordingly.

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Current Year Provision for Student Loans	$ 35,000	$ 49,418	$ 35,967
Adjustment for Expired Loan Relief Entitlement	-	(35,000)	-
Provision for Future Cost of Student Loans Issued	$ 35,000	$ 14,418	$ 35,967

NOTE 8 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. The fair values of loans receivables and liability for student loans issued are not reported due to there being no organized financial market for these instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

NOTE 9 COMMITMENTS

As at March 31, 2004, the Department has $29,827,000 (2003 - $34,051,492) in commitments relating to service and grant contracts. The Department has approved $3,157,000 (2003 - $3,037,000) of loans to students which have not been cashed by students as at March 31, 2004.

NOTE 10 CONTINGENCIES

The Department has entered into indemnity agreements with school jurisdictions that have been named in residential school claims. The resulting loss, if any, from these indemnity agreements cannot be determined.

At March 31, 2004, the Department is a defendant in four legal claims (2003 – four legal claims). Three of these claims have specified amounts totalling $95,700,000 and the remaining one has no specified amount (2003 – two claims with specified amounts totaling $1,350,000 and the remaining two with no specified amount). Two claims amounting to $94,500,000 and one claim with no specified amount (2003 – one claim amounting to $150,000 and two with no specified amount) are covered by Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 11 TRUST FUNDS UNDER ADMINISTRATION

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

At March 31, 2004, trust funds under administration were as follows:

	(in thousands)			
	2004			2003
	Total Assets	Total Liabilities	Net Assets (Net Liabilities)	Net Assets (Net Liabilities)
Department of Learning General Trust	$ 53	$ 53	$ -	$ -
Department of Learning Endowment Fund	174	-	174	171
Teachers' Pension Plan Funds	2,876,000	8,978,000	(6,102,000)	(5,876,000)
Mildred Rowe Weston Estate Trust	74	-	74	76
	$ 2,876,301	$ 8,978,053	$(6,101,752)	$ (5,875,753)

NOTE 12 PAYMENTS UNDER AGREEMENT

The Department has entered into several agreements to deliver programs on behalf of third parties which include the Government of Canada. Costs incurred under these agreements are made by the Department under authority of the Financial Administration Act, Section 25. Accounts receivable includes $10,527,000 (2003 - $8,002,000) and accounts payable and accrued liabilities includes $5,686,000 (2003 - $3,818,000) relating to payments under agreement.

NOTE 12 PAYMENTS UNDER AGREEMENT (CONTINUED)

Amounts paid under agreements on behalf of third parties are as follows:

	(in thousands)	
	2004	2003
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ 27,819	$ 26,621
Government of Canada		
Canada Study Grants	9,788	8,885
Immigration Settlement Services	47	-
French Minority Language Education and French Second Language Instruction	9,464	9,160
South Africa Teacher Development Program	1,139	717
Interprovincial Computerized Exam Management System	-	68
Alberta School Boards		
International Student Program	4	5
Western Provinces		
French Math Resources	100	200
	$ 48,361	$ 45,656

NOTE 13 DEFINED BENEFIT PLANS

Teachers' Pension Plan

The Alberta Teachers' Retirement Fund Board is a trustee and administrator of the Teachers' Pension Plan. The Alberta Teachers' Retirement Fund Board operates under the authority of the Teachers' Pension Plans Act. The Act requires all teachers under contract with public and separate school jurisdictions in Alberta to contribute to the Teachers' Pension Plan.

Under the Teachers' Pension Plans Act, the unfunded liability for service credited prior to September 1, 1992 is being financed by additional contributions in the ratio of 67.35 percent by the Province and 32.65 percent by the teachers over the period ending August 31, 2060. In addition, for service after August 1992, the Province funds 50 percent of the post- 1992 unfunded liability, any current service costs and related actuarial adjustments, including certain cost-of-living benefits. The Act provides that payment of all benefits prior to September 1, 1992 is guaranteed by the Province.

The teachers' pension obligation is based upon actuarial valuations performed at least triennially using the projected benefit method prorated on services. The assumptions used in the valuation are adopted after consultations between the pension plan board, the government and the actuaries, and represent best estimates of future events. The plan's future experience will inevitably vary, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. Gains and losses are amortized over the expected average remaining service lives of the related employees.

NOTE 13 DEFINED BENEFIT PLANS (CONTINUED)

Teachers' Pension Plan (continued)

The latest actuarial valuation was performed on August 31, 2002. This valuation was based upon economic assumptions, including a long-term rate of return on pension plan fund assets of 4.5 percent over the level of price inflation. The rate was based upon a long-term rate of return of 7.5 percent per annum and price inflation of 3.0 percent. Demographic assumptions used in the valuation reflect the experience of the plan.

The valuation indicated a deficiency of net assets over the actuarial present value of accrued benefits. The unfunded liability was extrapolated to March 31, 2004, and includes deferred adjustments. The Department's portion of the teachers' pension obligation is $4,094,145,000 as at March 31, 2004 (2003 - $3,964,572,000). The Department's portion of the unamortized deferred experience gains and losses is $55,757,000 (2003 - $85,247,000).

In the Statement of Operations, amounts for current service of $135,361,000 (2003 -$121,762,000) are included in voted expenses while amounts for the unfunded liability of $119,795,000 (2003 - $117,975,000) are shown as statutory expenses. In addition, a provision of $129,573,000 (2003 - $74,530,000) shown as a valuation adjustment has been recorded to recognize the estimated impact on the obligation as a result of estimated changes in the value of the plan's assets and the amortization of experience gains and losses

Section 26 of the Teachers' Pension Plans Act requires the Government to contribute towards the teachers' share of the pre-1992 unfunded liability for service credited between September 1, 2002 and August 31, 2003. A one-time contribution of $60,000,000 towards the unfunded pre-1992 pension liability was made by the Province on behalf of teachers in the fiscal year ending March 31, 2003.

Other Pension Plans

The Department participates in the multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $5,187,000 for the year ended March 31, 2004 (2003 - $4,099,000).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014,000 (2002 – deficiency of $301,968,000) and the Public Service Pension Plan reported an actuarial deficiency of $596,213,000 (2002 – actuarial deficiency of $175,528,000). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312,000 (2002 – actuarial surplus of $6,472,000).

NOTE 13 DEFINED BENEFIT PLANS (CONTINUED)

Other pension plans (continued)

The Department also participates in two multiemployer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766,000 (2003 – deficiency of $14,434,000) and the Management, Opted Out and Excluded Plan an actuarial surplus of $1,298,000 (2003 - deficiency of $3,053,000). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 14 COMPARATIVE FIGURES

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

NOTE 15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

DEPARTMENT OF LEARNING
SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Schedule 1

Revenues

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Internal Government Transfers			
Lottery Fund	$ 116,400	$ 116,400	$ 84,100
Alberta Heritage Scholarship Fund	21,145	22,225	20,994
	137,545	138,625	105,094
Transfers from the Government of Canada			
Canadian Health and Social Transfers	140,988	187,120	114,270
Canada Student Loans Administration	1,044	1,078	1,080
Other	250	285	230
	142,282	188,483	115,580
Investment Income	2,645	3,208	1,699
Premiums, Fees and Licences			
Marketing Apprenticeship	2,200	2,511	2,193
High School Transcripts	700	933	864
Teacher Certificate Fees	650	734	795
Industry Canada Grassroots Project	400	960	277
Diploma Exam Rewrite Fees	456	491	490
Trade School Licence Fee	160	92	138
International Qualifications Assessment Service	271	205	224
Other	53	63	66
	4,890	5,989	5,047
Other Revenue			
Sales of Learning Resources	30,903	35,136	25,844
Refunds of Expenditure	1,200	4,573	3,441
Miscellaneous	26	123	156
	32,129	39,832	29,441
Total Revenues	$ 319,491	$ 376,137	$ 256,861

Schedule 2

Dedicated Revenue Initiatives

	(in thousands)		
	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess (Shortfall)
Ministry Support Services			
Information and Strategic Services (a)	$ 708	$ 933	$ 225
Support for Basic Learning			
Program Delivery Support (b)	1,635	2,185	550
Learning Resources Centre (c)	35,503	35,136	(367)
Support for Adult Learning			
Marketing Apprenticeship (d)	2,500	2,511	11
Support to Adult Learners			
Program Delivery Support (e)	1,294	1,363	69
	$ 41,640	$ 42,128	$ 488

The revenue of each dedicated revenue initiative is included in the Department's revenue.

(a) The Information and Strategic Services dedicated revenues are fees collected for the delivery of high school transcripts and copyrights.

(b) The Basic Learning program delivery support dedicated revenues include fees collected from students writing diploma examinations for the second or subsequent time as well as fees collected for teacher certification and development. Also included in this initiative is the Industry Canada Grassroots project (formerly known as the Telus Learning Connection project) which represents a partnership with the Department and several stakeholders to provide teachers and students with internet access and computer training.

(c) Learning Resources Centre generates dedicated revenue from the sale and distribution of learning and teaching resources that have been purchased directly from publishers/suppliers or developed and produced by the Department.

(d) Marketing Apprenticeship dedicated revenues are fees to offset the costs of marketing programs and services including training, promotion, and certification, and to offset the costs associated with the delivery of certain services including the Prior Learning Assessments, Qualification Certificate Program, and the Equivalency Program.

(e) The dedicated revenues for program delivery support under Support to Adult Learners are amounts received from the Government of Canada and the Canadian Millennium Scholarship Foundation (CMSF) to administer the Canada Student Loans, Grants and the Canadian Millennium Scholarship Foundation bursary program.

Schedule 3

Expenses - Directly Incurred Detailed by Object

	(in thousands)		
	2004		2003
	Budget	Actual	Actual
Voted:			
Grants			
School Boards	$ 1,905,271	$ 1,966,658	$ 1,849,567
Public Post-Secondary Institutions	1,114,690	1,159,177	1,062,584
Private Post-Secondary Institutions	14,058	14,526	13,069
Teachers' Pension - Current Service and Contribution on Behalf of Teachers	142,349	135,361	181,762
Private Schools	109,912	115,908	112,158
Learners	68,300	66,370	58,998
Other	34,659	25,278	23,773
	3,389,239	3,483,278	3,301,911
Salaries, Wages and Employee Benefits	68,624	71,192	65,134
Supplies and Services	107,397	107,025	85,790
Amortization of Tangible Capital Assets	2,984	1,532	1,140
Other	93	160	3,415
	3,568,337	3,663,187	3,457,390
Less:			
Recoveries from Support Service Arrangements with Related Parties (a)	-	(2,092)	(1,990)
Total Voted Expenses	$ 3,568,337	$ 3,661,095	$ 3,455,400
Statutory:			
Grants			
Alberta Heritage Scholarships	21,145	22,225	20,994
Teachers' Pension - Past Service	126,000	119,795	117,975
Valuation Adjustments			
Provision for Teachers' Pension	127,000	129,573	74,530
Provision for Future Cost of Student Loans Issued (Note 7)	35,000	14,418	35,967
Provision for Loan Repayable from Future Appropriation	-	-	30,700
Provision for Doubtful Accounts	5	15	25
Provision for Vacation Pay	-	473	570
	$ 309,150	$ 286,499	$ 280,761

(a) The Department provides financial, human resource, and administrative services to the Ministry of International and Intergovernmental Relations $53 (2003 - $45), the Ministry of Aboriginal Affairs and Northern Development $59 (2003 - $45), and information technology support services to the Ministry of Human Resources and Employment $1,980 (2003 - $1,900). Costs for these services are recovered from the respective ministries.

Schedule 4
Budget

	(in thousands)		
	2004		
	Budget	Authorized Supplementary (a)	Authorized Budget
Revenues			
Internal Government Transfers	$ 137,545	$ -	$ 137,545
Transfers from Government of Canada	142,282	-	142,282
Investment Income	2,645	-	2,645
Premiums, Fees and Licences	4,890	437	5,327
Other Revenue	32,129	4,600	36,729
	319,491	5,037	324,528
Expenses – Directly Incurred			
Voted Expenses			
Ministry Support Services	29,505	8	29,513
Support for Basic Learning	2,277,286	50,729	2,328,015
Support for Adult Learning	1,177,186	45,300	1,222,486
Support to Adult Learners	84,360	(1,100)	83,260
	3,568,337	94,937	3,663,274
Statutory Expenses			
Alberta Heritage Scholarships	21,145	1,100	22,245
Teachers' Pension	126,000	(4,800)	121,200
Valuation Adjustments			
Provision for Teachers' Pension	127,000	-	127,000
Provision for Future Costs of Student Loans Issued	35,000	(11,500)	23,500
Provision for Loan Repayable from Future Appropriation	-	-	-
Provision for Doubtful Accounts	5	-	5
Provision for Vacation Pay	-	-	-
	309,150	(15,200)	293,950
Total Expenses	3,877,487	79,737	3,957,224
(Gain) Loss on Disposal of Tangible Capital Assets	-	-	-
Net Operating Results	$ (3,557,996)	$ (74,700)	$ (3,632,696)
Equipment/Inventory Purchases	$ 6,522	$ 4,170	$ 10,692
Non-Budgetary Disbursements	$ 141,300	$ -	$ 141,300

(a) Supplementary Estimates were approved on December 4, 2003 and March 11, 2004

Schedule 5

Comparison - Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

(in thousands)

		2003-2004 Estimates	Authorized Supplementary (a)	2003-2004 Authorized Budget	2003-2004 Actual Expense (b)	Unexpended (Over-expended)
Voted Operating Expenses						
Ministry Support Services						
1.1	**Ministry Support Services**					
1.0.1	Minister's Office	$ 354	$ -	$ 354	$ 393	$ (39)
1.0.2	Minister's Committees	212	-	212	185	27
1.0.3	Deputy Minister's Office	491	-	491	549	(58)
1.0.4	Finance and Administrative Services					
	- Operating Expense	6,101	-	6,101	5,132	969
1.0.5	Human Resource Services	3,014	-	3,014	3,576	(562)
1.0.6	Legislative Services and Freedom of Information	859	-	859	990	(131)
1.0.7	Information and Strategic Services					
	- Operating Expense	14,613	8	14,621	14,996	(375)
	- Equipment/Inventory Purchases	1,317	-	1,317	2,389	(1,072)
1.0.8	Administrative Systems Support	2,773	-	2,773	1,149	1,624
1.0.9	Communications	560	-	560	554	6
1.0.10	Amortization of Capital Assets	426	-	426	868	(442)
1.0.11	Standing Policy Committee on Learning and Employment	102	-	102	111	(9)
	Total Ministry Support Services	**30,822**	**8**	**30,830**	**30,892**	**(62)**
Support for Basic Learning						
2.1	**Program Delivery**					
2.1.1	Program Delivery Support	51,152	129	51,281	54,668	(3,387)
	Total Sub-Program	51,152	129	51,281	54,668	(3,387)
2.2	**Public and Separate School Support**					
2.2.1	Operating Support for Basic Education					
	- Operating Expense	1,596,898	37,700	1,634,598	1,643,537	(8,939)
	- Operating Expense Funded by Lotteries	89,800	-	89,800	89,800	-
2.2.2	Early Childhood Services – Public and Separate schools	134,500	3,300	137,800	141,103	(3,303)
2.2.3	Teachers' Pension – Current Service Payment	142,349	-	142,349	135,361	6,988
	Total Sub-Program	1,963,547	41,000	2,004,547	2,009,801	(5,254)
2.3	**Private Schools Support**					
2.3.1	Private Schools – Grades 1-12	68,400	600	69,000	64,721	4,279
2.3.2	Early Childhood Services–Private Schools	13,950	3,830	17,780	15,659	2,121
2.3.3	Early Childhood Services–Private Operators	27,562	570	28,132	30,496	(2,364)
	Total Sub-Program	109,912	5,000	114,912	110,876	4,036

Schedule 5 (continued)

Comparison – Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (Continued)

	(in thousands)				
	2003-2004 Estimates	Authorized Supplementary (a)	2003-2004 Authorized Budget	2003-2004 Actual Expense (b)	Unexpended (Over-expended)
2.4 Provincial Initiatives					
2.4.1 Alberta Initiative for School Improvement	65,602	-	65,602	64,603	999
Total Sub-Program	65,602	-	65,602	64,603	999
2.5 Other Basic Learning Programs					
2.5.1 Learning Resources Subsidy	7,437	-	7,437	7,127	310
2.5.2 Learning Resources Centre					
- Operating Expense	29,978	4,600	34,578	33,415	1,163
- Equipment/Inventory Purchases	925	-	925	488	437
2.5.3 Amortization of Capital Assets	540	-	540	333	207
2.5.4 Learning Resource Grants	20,000	-	20,000	19,973	27
Total Sub-Program	58,880	4,600	63,480	61,336	2,144
2.6 Student Health Services					
2.6.1 Student Health Services	29,118	-	29,118	30,719	(1,601)
Total Sub-Program	29,118	-	29,118	30,719	(1,601)
Total Support for Basic Learning	**2,278,211**	**50,729**	**2,328,940**	**2,332,003**	**(3,063)**
Support for Adult Learning					
3.1 Program Support					
3.1.1 Program Delivery Support	3,275	-	3,275	3,315	(40)
3.1.2 Community Education					
- Operating Expense	740	-	740	841	(101)
- Operating Expense Funded by Lotteries	18,900	-	18,900	18,900	-
3.1.3 Learning Television					
- Operating Expense	254	-	254	254	-
- Operating Expense Funded by Lotteries	4,600	-	4,600	4,600	-
3.1.4 Other Program Support	15,357	-	15,357	6,044	9,313
3.1.5 International Qualifications Assessment	500	-	500	590	(90)
Total Sub-Program	43,626	-	43,626	34,544	9,082
3.2 Grants to Post Secondary Institutions					
3.2.1 Private University-Colleges	12,688	-	12,688	12,644	44
3.2.2 Technical Institutes	152,119	-	152,119	151,738	381
3.2.3 Public Colleges	285,771	-	285,771	287,459	(1,688)
3.2.4 Universities	526,861	-	526,861	527,119	(258)
3.2.5 Banff Centre	10,864	-	10,864	10,878	(14)
3.2.6 Inter-Jurisdiction Programs	5,464	-	5,464	5,268	196
3.2.7 One-Time Operations and Maintenance	-	30,000	30,000	29,914	86
Total Sub-Program	993,767	30,000	1,023,767	1,025,020	(1,253)

Schedule 5 (continued)

Comparison – Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (Continued)

	(in thousands)				
	2003-2004 Estimates	Authorized Supplementary (a)	2003-2004 Authorized Budget	2003-2004 Actual Expense (b)	Unexpended (Over-expended)
3.3 Funding Envelopes					
3.3.1 Funding Envelopes Delivery Support	481	-	481	445	36
3.3.2 Access Fund	113,119	15,000	128,119	132,581	(4,462)
3.3.3 Performance Envelope	10,000	-	10,000	10,048	(48)
Total Sub-Program	123,600	15,000	138,600	143,074	(4,474)
3.4 Apprenticeship and Industry Training					
3.4.1 Apprenticeship Delivery Support					
- Operating Expense	13,160	-	13,160	13,459	(299)
- Equipment/Inventory Purchases	430	4,170	4,600	4,600	-
3.4.2 Marketing Apprenticeship	2,200	300	2,500	2,501	(1)
3.4.3 Amortization of Capital Assets	833	-	833	45	788
Total Sub-Program	16,623	4,470	21,093	20,605	488
Total Support for Adult Learning	**1,177,616**	**49,470**	**1,227,086**	**1,223,243**	**3,843**
Support to Adult Learners					
4.1 Program Delivery					
4.1.1 Program Delivery Support					
- Operating Expense	6,170	-	6,170	6,208	(38)
- Equipment/Inventory Purchases	3,850	-	3,850	3,156	694
4.1.2 Program Systems Support	8,705	(1,050)	7,655	9,571	(1,916)
4.1.3 Amortization of Capital Assets	1,185	-	1,185	286	899
Total Sub-Program	19,910	(1,050)	18,860	19,221	(361)
4.2 Assistance for Learners					
4.2.1 Maintenance Grants	8,600	(50)	8,550	7,764	786
4.2.2 Special Needs Bursaries	1,600	-	1,600	991	609
4.2.3 Alberta Opportunities Bursary	13,400	-	13,400	11,433	1,967
4.2.4 Achievement Scholarships					
- Operating Expense	9,900	-	9,900	11,817	(1,917)
- Operating Expense Funded by Lotteries	3,100	-	3,100	3,100	-
4.2.5 Student Loan Relief - Benefit	31,700	-	31,700	31,264	436
Total Sub-Program	68,300	(50)	68,250	66,369	1,881
Total Support to Adult Learners	**88,210**	**(1,100)**	**87,110**	**85,590**	**1,520**
Total Voted Expenses	**$ 3,574,859**	**$ 99,107**	**$ 3,673,966**	**$ 3,671,728**	**$ 2,238**

Schedule 5 (continued)

Comparison - Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (Continued)

(in thousands)

	2003-2004 Budget	Authorized Supplementary (a)	2003-2004 Authorized Budget	2003-2004 Actual Expense (b)	Unexpended (Over-expended)
Voted Operating Expenses and Equipment/Inventory Purchases					
Operating Expenses	$ 3,451,937	$ 94,937	$ 3,546,874	3,544,695	$ 2,179
Operating Expenses Funded by Lotteries	116,400	-	116,400	116,400	-
Equipment/Inventory Purchases	6,522	4,170	10,692	10,633	59
Total Voted Expenses	**$ 3,574,859**	**$ 99,107**	**$3,673,966**	**$ 3,671,728**	**$ 2,238**
Statutory Expenses					
Alberta Heritage Scholarships	$ 21,145	1,100	$ 22,245	22,225	20
Teachers' Pensions Liability Funding	126,000	(4,800)	121,200	119,795	1,405
Valuation Adjustment					
Provision for Teachers' Pension	127,000	-	127,000	129,573	(2,573)
Provision for Future Cost of Student Loans Issued (Note 7)	35,000	(11,500)	23,500	14,418	9,082
Provision for Loan Repayable from Future Appropriation					
Provision for Doubtful Accounts	5	-	5	15	(10)
Provision for Vacation Pay	-	-	-	473	(473)
Total Statutory Expenses	**$ 309,150**	**$ (15,200)**	**$ 293,950**	**$ 286,499**	**$ 7,451**
Non-Budgetary Disbursements by Program					
2.5 Support for Basic Learning					
2.5.5 Learning Resources Inventory: Changes in Learning Resources Inventory during the year	$ 1,000	$ -	$ 1,000	$ 1,452	$ (452)
4.3 Support to Adult Learners:					
4.3.1 Student Loans Servicing Cost	12,900	-	12,900	6,259	6,641
4.3.2 Student Loan Relief Completion Payments	19,400	-	19,400	22,980	(3,580)
4.3.3 Student Loan Disbursements	108,000	-	108,000	87,609	20,391
	140,300	-	140,300	116,848	23,452
Total Non-Budgetary Disbursements	**$ 141,300**	**$ -**	**$ 141,300**	**$ 118,300**	**$ 23,000**

(a) Supplementary estimates were approved on December 4, 2003 and March 11, 2004

(b) Includes achievement bonuses of $1,972.

Schedule 6

Salary and Benefits Disclosure

	2004				2003
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Deputy Minister (4)	$ 163,572	$ 31,939	$ 38,893	$ 234,404	$ 243,678
Executives:					
Assistant Deputy Minister Basic Learning Division (5)	121,368	17,894	27,185	166,447	164,048
Assistant Deputy Minister Adult Learning Division	128,364	18,798	28,165	175,327	173,165
Assistant Deputy Minister Information and Strategic Services Division	128,364	18,610	28,496	175,470	176,989
Assistant Deputy Minister Corporate Services Division	128,364	18,798	29,312	176,474	174,750
Assistant Deputy Minister System Improvement and Reporting Division	128,364	18,422	29,411	176,197	174,110
Executive Director Apprenticeship and Industry Training Division	120,660	17,493	26,815	164,968	158,481
Executive Director Learner Transitions (6)	83,451	16,113	16,423	115,987	-
	$ 1,002,507	$ 158,067	$ 224,700	$ 1,385,274	$ 1,265,221

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees. Contributions to the Supplementary Retirement Plan for Public Service Managers were reduced in 2003/04.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Other cash benefits include vacation payments to the Assistant Deputy Minister – Basic Learning Division of $0 (2003 -$6,527).

(6) Position created July, 2003.

Schedule 7

Related Party Transactions

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties.

	(in thousands)	
	2004	2003
Revenues		
Internal Government Transfers		
Lottery Fund	$ 116,400	$ 84,100
Alberta Heritage Scholarship Fund	22,225	20,994
	$ 138,625	$ 105,094
Expenses - Directly Incurred		
Alberta Heritage Scholarship Fund	$ 0	$ 3,280
Supplies and Services from Other Ministries	$ 11,307	$ 10,131
Receivable from Related Parties	$ 0	$ 691
Net Tangible Capital Assets Transferred to (from) other Ministries	$ 50	$ -

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

	(in thousands)	
	2004	2003
Expenses - Incurred by Others		
Accommodation	$ 10,510	$ 12,085
Legal Services	609	751
	$ 11,119	$ 12,836

Schedule 8

Allocated Costs

(in thousands)

	2004								2003
		Expenses - Incurred by Others		Valuation Adjustments (4)					
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Teachers' Pension	Provision for Student Loans	Total Expenses	Total Expenses
Ministry Support Services	$ 28,503	$ 2,973	$ 609	$ 90	$ -	$ -	$ -	$ 32,175	$ 31,271
Support for Basic Learning	2,451,310	4,570	-	229	15	129,573	-	2,585,697	2,431,355
Support for Adult Learning	1,218,643	2,832	-	103	-	-	-	1,221,578	1,156,320
Support to Adult Learners	104,659	135	-	51	-	-	14,418	119,263	130,051
	$ 3,803,115	$ 10,510	$ 609	$ 473	$ 15	$ 129,573	$ 14,418	$ 3,958,713	$ 3,748,997

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments. Support for Basic Learning includes teachers' pension contributions for past service. Support to Adult Learners includes Alberta Heritage Scholarship Fund scholarships.

(2) Costs shown for Accommodation on Schedule 7, allocated by square footage.

(3) Costs shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. The allocation is as follows:
- Vacation Pay – allocated to the program by employee
- Doubtful Accounts Provision – estimated allocation to program
- Teachers' Pension – allocated to Support for Basic Learning
- Provision for Student Loans – allocated to Support to Adult Learners

ALBERTA SCHOOL FOUNDATION FUND

FINANCIAL STATEMENTS

MARCH 31, 2004

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

AUDITOR
GENERAL
Alberta

Auditor's Report

To the Minister of Learning

I have audited the statement of financial position of the Alberta School Foundation Fund as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

ALBERTA SCHOOL FOUNDATION FUND
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2004

	(in thousands)		
	2004		2003
	Budget (Note 7)	Actual	Actual
Revenues			
School Property Taxes	$ 1,165,000	$ 1,177,717	$ 1,112,792
Investment Income	800	490	524
	1,165,800	1,178,207	1,113,316
Expenses			
Payments to School Boards	1,161,533	1,162,533	1,095,221
Interest (Note 5)	4,267	3,096	2,667
	1,165,800	1,165,629	1,097,888
Net Operating Results	$ -	$ 12,578	$ 15,428

The accompanying notes are part of these financial statements.

ALBERTA SCHOOL FOUNDATION FUND
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2004

	(in thousands) 2004	(in thousands) 2003
Assets		
Cash (Note 3)	$ 66,862	$ 52,624
Requisitions Receivable	23,006	27,945
Receivable from School Boards	3,850	64
	$ 93,718	$ 80,633
Liabilities		
Accrued Liabilities (Note 6)	$ 6,269	$ 6,214
Allowance for Assessment Adjustments and Appeals (Note 6)	1,688	2,630
Unearned Revenue	7,713	6,319
	15,670	15,163
Net Assets		
Net Assets, Beginning of Year	65,470	50,042
Net Operating Results	12,578	15,428
Net Assets, End of Year	78,048	65,470
	$ 93,718	$ 80,633

The accompanying notes are part of these financial statements.

ALBERTA SCHOOL FOUNDATION FUND
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2004

	(in thousands) 2004	(in thousands) 2003
Operating Transactions		
Net Operating Results	$ 12,578	$ 15,428
Decrease (Increase) in Requisitions Receivable	4,939	(13,849)
(Increase) Decrease in Receivables from School Boards	(3,786)	15,302
Increase (Decrease) in Accrued Liabilities	55	6,214
(Decrease) Increase in Interest Payable	-	(506)
Increase (Decrease) in Unearned Revenue	1,394	6,319
(Decrease) Increase in Allowance for Assessment Adjustments and Appeals	(942)	(18,370)
Net Cash Provided (Used)	14,238	10,538
Cash at Beginning of Year	52,624	42,086
Cash at End of Year	$ 66,862	$ 52,624

The accompanying notes are part of these financial statements.

ALBERTA SCHOOL FOUNDATION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 AUTHORITY AND PURPOSE

The Alberta School Foundation Fund (the Fund) operates under the authority of the School Act, Revised Statutes of Alberta 2000, chapter S-3.

The Fund makes requisitions to municipalities based on the equalized assessment of real property in Alberta and mill rates established by the Lieutenant Governor in Council. The purpose of the Fund is to provide funding to school boards that is based on an equal amount per eligible student.

NOTE 2 SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

(a) Reporting Entity

The reporting entity is the Alberta School Foundation Fund, which is part of the Ministry of Learning and for which the Minister of Learning is accountable. The other entity reporting to the Minister is the Department of Learning. The activities of the Department of Learning are not included in these financial statements. The Alberta School Foundation Fund provides funding to school boards. Payments to school boards amounting to $1,162,533,000 (2003 - $1,095,221,000) and receivables from school boards of $3,850,000 (2003 - $64,000) are reported in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

Opted out separate school boards, which have passed a resolution pursuant to section 171(2) of the School Act, have the authority to requisition and collect from municipalities levies on their declared residential and non-residential property at a rate of not less than the provincial rate applied in that municipality. These amounts are not reflected in these financial statements. However, these financial statements include payments of $158,273,969 (2003 - $151,247,000) to opted out separate school boards to increase their funding to a level the boards would otherwise receive if participating fully in the Alberta School Foundation Fund.

NOTE 2 SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (CONTINUED)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Expenses

Expenses are those costs the Fund has primary responsibility and accountability for, as reflected in the government's budget documents.

Assets

Financial assets of the Fund includes financial claims such as receivables from school boards and requisitions receivable.

Liabilities

Liabilities include all financial claims payable by the Fund at fiscal year end. They include the Fund's estimate of future payments for property assessment appeals and adjustments.

Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Estimates are used in the determination of the allowance for assessment adjustments and appeals amounting to $1,688,000 (2003 - $2,630,000). While best estimates have been used for reporting items subject to measurement uncertainty, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

Net Assets

Net assets are restricted by section 176(1) of the School Act in that money in the Fund is payable only to school boards except when a payment to General Revenues is required to repay advances and make interest payments, or to refund municipalities for overpayments.

NOTE 3 CASH

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2004, securities held by the Fund have an average effective market yield of 2.11% per annum (March 31, 2003: 3.23% per annum).

NOTE 4 VALUATION OF FINANCIAL ASSETS AND LIABILTIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of receivables, accrued liabilities and unearned revenue are estimated to approximate their carrying values because of the short term nature of these instruments. The fair value of the allowance for assessment adjustments and appeals is not reported due to there being no organized financial market for this instrument and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

NOTE 5 RELATED PARTY TRANSACTIONS

Operating costs incurred in the administration of the Fund have been borne by other ministries and are not reflected in these financial statements. The Fund is prohibited from paying administration costs under section 176(2) of the School Act.

Under the provisions of the Financial Administration Act, the Fund receives monthly advances from the General Revenues to make payments to school boards in accordance with section 176(1) of the School Act. The Fund repays the advances as monies are received from municipalities and opted-out school boards.

The Fund pays interest on the advances at the appropriate bankers' acceptance rate less 0.05%. Interest is calculated on a prorata basis for the number of days the advances are outstanding. The Fund incurred interest costs of $3,096,000 (2003 - $2,667,000) on funds advanced from the General Revenues.

NOTE 6 LIABILITIES

If it is determined on appeal under the Municipal Government Act that a municipality has paid an amount into the Alberta School Foundation Fund in excess of the sum that is required to be paid, the Minister of Learning may order the repayment of the excess to the municipality. The amount required to be paid is equivalent to the sum of the applicable education property tax rates being applied to the equalized assessment of the municipality for residential and farm land, non-residential property and machinery and equipment. Taxpayers can appeal or request adjustments to their assessment to the assessment review boards, Municipal Government Board and/or the Court of Queen's Bench. The Fund has recorded accrued liabilities of $6,269,000 (2003-$6,214,000) for those appeals where the likelihood of loss is high.

In addition, the Fund has recorded an allowance for assessment adjustments and appeals of $1,688,000 (2003 - $2,630,000) based on discussions with the Ministry of Municipal Affairs, historical trends and changes in the equalized assessment process.

NOTE 7 BUDGET

The budget amounts shown in these financial statements are from the 2003-04 Government and Lottery Fund Estimates approved May 16, 2003.

NOTE 8 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Deputy Minister and the Senior Financial Officer.

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS

Contents:

Summary of Colleges

Summary of Technical Institutes

Summary of Universities

Summary of The Banff Centre for Continuing Education

Summary of School Jurisdictions and Charter Schools

Audited financial statements are available on Learning's website:

Post-secondary institutions: http://www.learning.gov.ab.ca/psfs/ciufs.asp

School jurisdictions: http://www.learning.gov.ab.ca/funding/afs/

For a print version of the complete audited financial statements of school jurisdictions and post-secondary institutions, please call 427-2767, or order by email at lrccustserv@gov.ab.ca, or online at: http://www.lrc.learning.gov.ab.ca.

SUMMARY OF COLLEGES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2003

	(in thousands)			
	Alberta College of Art and Design	Bow Valley College	Fairview College	Grande Prairie Regional College
Revenue:				
Grants	$ 8,022	$ 15,242	$ 13,946	$ 16,183
Sales, rentals and services	870	-	1,959	2,615
Tuition and related fees	3,041	9,461	2,659	6,113
Education contracts and contract programs	-	7,387	1,038	954
Investment income	198	357	538	223
Donations and contributions	824	667	140	666
Amortization of deferred capital contributions	795	1,397	1,693	1,535
Ancillary services	841	1,535	-	-
Miscellaneous revenue	44	-	-	-
	14,635	36,046	21,973	28,289
Expense:				
Salaries, wages and benefits	8,502	22,218	11,276	17,772
Instruction and institutional support	701	-	-	-
Academic support, student services and computing services	-	-	-	-
Supplies and services	3,412	8,508	5,064	6,266
Amortization of capital assets	995	1,974	1,964	2,190
Maintenance, utilities and property tax	-	-	1,221	903
Facilities cost	-	-	-	-
Scholarships and bursaries	123	185	99	210
Other	476	1,120	1,253	788
Pension valuation adjustment	-	-	-	-
Loss/(gain) on disposal of capital assets	-	8	368	(20)
	14,209	34,013	21,245	28,109
Excess Revenue over Expenses	$ 426	$ 2,033	$ 728	$ 180
Changes in Financial Position				
Cash and short-term investments, net of bank indebteness:				
Generated/(used) by operations	$ 901	$ 1,598	$ 1,971	$ 823
Generated/(used) by investing activities	(167)	(4,027)	(1,719)	(1,817)
Generated/(used) by financing activities	239	450	(115)	640
Net sources/(uses) during year	973	(1,979)	137	(354)
Amount at the beginning of the year	2,379	4,789	1,614	1,199
Amount at the end of the year	$ 3,352	$ 2,810	$ 1,751	$ 845

SUMMARY OF COLLEGES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2003

(in thousands)

	Grant MacEwan College	Keyano College	Lakeland College	Lethbridge Community College
Revenue:				
Grants	$ 48,818	$ 20,433	$ 21,104	$ 26,348
Sales, rentals and services	16,083	4,925	4,118	6,690
Tuition and related fees	41,492	4,712	9,742	13,150
Education contracts and contract programs	3,931	795	438	1,112
Investment income	(982)	224	786	161
Donations and contributions	2,316	698	199	151
Amortization of deferred capital contributions	4,915	1,931	2,579	3,676
Ancillary services	-	-	-	-
Miscellaneous revenue	-	-	1,357	-
	116,573	33,718	40,323	51,288
Expense:				
Salaries, wages and benefits	73,691	21,554	23,347	34,011
Instruction and institutional support	-	-	-	-
Academic support, student services and computing services	-	-	-	-
Supplies and services	20,457	6,219	11,165	7,473
Amortization of capital assets	8,793	3,280	4,724	4,110
Maintenance, utilities and property tax	3,391	1,745	1,952	1,678
Facilities cost	-	-	-	-
Scholarships and bursaries	619	327	179	120
Other	6,620	1,088	313	3,453
Pension valuation adjustment	-	-	-	-
Loss/(gain) on disposal of capital assets	-	34	(54)	-
	113,571	34,247	41,626	50,845
Excess Revenue over Expenses	$ 3,002	$ (529)	$ (1,303)	$ 443
Changes in Financial Position				
Cash and short-term investments, net of bank indebteness:				
Generated/(used) by operations	$ 6,955	$ (1,950)	$ (521)	$ 286
Generated/(used) by investing activities	(12,936)	(2,787)	793	(1,358)
Generated/(used) by financing activities	2,819	2,372	(218)	280
Net sources/(uses) during year	(3,162)	(2,365)	54	(792)
Amount at the beginning of the year	17,998	2,889	2,191	(825)
Amount at the end of the year	$ 14,836	$ 524	$ 2,245	$ (1,617)

SUMMARY OF COLLEGES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2003

	(in thousands)			
	Medicine Hat College	**Mount Royal College**	**NorQuest College**	**Northern Lakes College**
Revenue:				
Grants	$ 16,623	$ 48,994	$ 19,755	$ 17,293
Sales, rentals and services	3,110	13,173	2,248	1,214
Tuition and related fees	8,669	26,498	8,489	3,323
Education contracts and contract programs	-	16,454	4,609	450
Investment income	531	1,346	587	211
Donations and contributions	208	1,008	92	98
Amortization of deferred capital contributions	849	6,353	1,021	1,285
Ancillary services	-	-	-	-
Miscellaneous revenue	-	-	-	24
	29,990	113,826	36,801	23,898
Expense:				
Salaries, wages and benefits	18,413	72,740	24,363	14,144
Instruction and institutional support	-	-	752	-
Academic support, student services and computing services	-	-	-	-
Supplies and services	6,057	20,635	3,332	5,154
Amortization of capital assets	1,916	8,878	1,758	1,984
Maintenance, utilities and property tax	747	4,979	1,902	1,518
Facilities cost	-	-	-	181
Scholarships and bursaries	362	643	57	69
Other	1,277	5,500	1,975	1,098
Pension valuation adjustment	-	-	-	-
Loss/(gain) on disposal of capital assets	(218)	-	-	(256)
	28,554	113,375	34,139	23,892
Excess Revenue over Expenses	$ 1,436	$ 451	$ 2,662	$ 6
Changes in Financial Position				
Cash and short-term investments, net of bank indebteness:				
Generated/(used) by operations	$ 1,136	$ (2,041)	$ 3,597	$ (482)
Generated/(used) by investing activities	(1,051)	(39,970)	(979)	(1,796)
Generated/(used) by financing activities	310	37,938	(383)	574
Net sources/(uses) during year	395	(4,073)	2,235	(1,704)
Amount at the beginning of the year	4,524	35,028	6,264	5,362
Amount at the end of the year	$ 4,919	$ 30,955	$ 8,499	$ 3,658

SUMMARY OF COLLEGES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2003

(in thousands)

	Olds College	Portage College	Red Deer College
Revenue:			
Grants	$ 15,712	$ 13,588	$ 29,132
Sales, rentals and services	5,104	1,466	1,364
Tuition and related fees	4,564	2,342	13,274
Education contracts and contract programs	2,433	1,065	1,478
Investment income	541	112	388
Donations and contributions	700	91	766
Amortization of deferred capital contributions	2,518	1,079	2,323
Ancillary services	-	-	6,252
Miscellaneous revenue	-	448	-
	31,572	20,191	54,977
Expense:			
Salaries, wages and benefits	17,401	12,552	33,523
Instruction and institutional support	-	-	-
Academic support, student services and computing services	-	-	-
Supplies and services	7,435	4,824	13,552
Amortization of capital assets	2,836	1,741	3,825
Maintenance, utilities and property tax	1,512	809	1,773
Facilities cost	-	-	-
Scholarships and bursaries	214	81	305
Other	1,847	-	2,446
Pension valuation adjustment	-	-	-
Loss/(gain) on disposal of capital assets	696	-	(110)
	31,941	20,007	55,314
Excess Revenue over Expenses	$ (369)	$ 184	$ (337)
Changes in Financial Position			
Cash and short-term investments, net of bank indebteness:			
Generated/(used) by operations	$ (380)	$ 644	$ 2,347
Generated/(used) by investing activities	(3,607)	(790)	342
Generated/(used) by financing activities	2,650	173	(1,778)
Net sources/(uses) during year	(1,337)	27	911
Amount at the beginning of the year	4,976	2,635	9,618
Amount at the end of the year	$ 3,639	$ 2,662	$ 10,529

SUMMARY OF COLLEGES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2003

	(in thousands)		
	2003 Totals	**2002 Totals as restated**	**2003 Budget**
Revenue:			
Grants	$ 331,193	$ 310,550	$ 320,196
Sales, rentals and services	64,939	59,042	59,354
Tuition and related fees	157,529	140,014	149,172
Education contracts and contract programs	42,144	39,204	34,826
Investment income	5,221	6,971	14,315
Donations and contributions	8,624	8,384	8,370
Amortization of deferred capital contributions	33,949	28,446	32,082
Ancillary services	8,628	7,672	7,989
Miscellaneous revenue	1,873	1,225	1,882
	654,100	601,508	628,186
Expense:			
Salaries, wages and benefits	405,507	373,652	391,384
Instruction and institutional support	1,453	1,191	1,539
Academic support, student services and computing services	-	-	4,214
Supplies and services	129,553	122,667	122,370
Amortization of capital assets	50,968	45,394	46,396
Maintenance, utilities and property tax	24,130	18,811	19,499
Facilities cost	181	194	171
Scholarships and bursaries	3,593	3,210	2,812
Other	29,254	26,897	28,520
Pension valuation adjustment	-	-	-
Loss/(gain) on disposal of capital assets	448	155	(35)
	645,087	592,171	616,870
Excess Revenue over Expenses	$ 9,013	$ 9,337	$ 11,316

Changes in Financial Position		
Cash and short-term investments, net of bank indebteness:		
Generated/(used) by operations	$ 14,884	$ 47,776
Generated/(used) by investing activities	(71,869)	(104,881)
Generated/(used) by financing activities	45,951	62,688
Net sources/(uses) during year	(11,034)	5,583
Amount at the beginning of the year	100,641	95,058
Amount at the end of the year	$ 89,607	$ 100,641

SUMMARY OF COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

(in thousands)

	Alberta College of Art and Design	Bow Valley College	Fairview College	Grande Prairie Regional College
Assets				
Current:				
Cash and short-term investments	$ 3,352	$ 2,810	$ 1,751	$ 845
Accounts receivable	86	3,278	1,402	1,193
Inventories	572	513	375	305
Prepaid expense and deposits	-	107	61	61
	4,010	6,708	3,589	2,404
Long-term:				
Investments	2,843	9,723	11,866	6,411
Capital assets	7,170	22,489	18,254	35,043
Other assets	610	-	-	-
	14,633	38,920	33,709	43,858
Liabilities and Net Assets				
Current:				
Bank indebtedness	-	-	-	-
Accounts payable and accrued liabilities	418	1,533	1,115	1,126
Payable to the Government of Alberta	-	-	-	-
Accrued vacation pay	736	1,751	847	1,260
Unearned revenue	125	1,625	598	200
Deferred contributions	801	1,232	728	462
Current portion of long term debt	-	-	-	138
Other current liabilities	166	150	-	466
	2,246	6,291	3,288	3,652
Long-Term:				
Debt	-	-	-	848
Pension obligations	-	-	-	-
Deferred contributions	-	-	-	-
Deferred capital contributions	1,401	3,812	512	1,029
Unamortized deferred capital contributions	6,657	18,150	10,990	30,419
Other long-term liabilities	83	299	1,036	361
	8,141	22,261	12,538	32,657
Net Assets:				
Endowments	1,791	275	2,249	2,754
Investment in capital assets	514	3,892	7,264	3,277
Internally restricted	790	5,636	7,906	1,227
Unrestricted	1,151	565	464	291
	4,246	10,368	17,883	7,549
	$ 14,633	$ 38,920	$ 33,709	$ 43,858

SUMMARY OF COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

(in thousands)

	Grant MacEwan College	Keyano College	Lakeland College	Lethbridge Community College
Assets				
Current:				
Cash and short-term investments	$ 14,836	$ 524	$ 2,245	$ 73
Accounts receivable	2,166	1,160	2,232	1,397
Inventories	1,781	185	938	572
Prepaid expense and deposits	563	126	-	379
	19,346	1,995	5,415	2,421
Long-term:				
Investments	24,150	7,621	5,709	9,049
Capital assets	152,749	63,217	62,472	51,654
Other assets	-	80	13	-
	196,245	72,913	73,609	63,124
Liabilities and Net Assets				
Current:				
Bank indebtedness	-	-	-	1,690
Accounts payable and accrued liabilities	7,372	1,835	2,170	997
Payable to the Government of Alberta	-	-	-	-
Accrued vacation pay	4,395	1,706	1,674	761
Unearned revenue	4,247	472	1,275	924
Deferred contributions	1,922	1,993	1,308	1,969
Current portion of long term debt	185	180	496	134
Other current liabilities	-	-	-	-
	18,121	6,186	6,923	6,475
Long-Term:				
Debt	6,091	5,451	3,665	6,247
Pension obligations	-	-	-	-
Deferred contributions	-	-	-	-
Deferred capital contributions	1,789	-	451	388
Unamortized deferred capital contributions	99,076	33,750	46,787	37,121
Other long-term liabilities	-	-	-	-
	106,956	39,201	50,903	43,756
Net Assets:				
Endowments	10,270	1,192	1,341	3,973
Investment in capital assets	47,398	23,836	12,746	8,153
Internally restricted	411	-	1,607	767
Unrestricted	13,089	2,498	89	-
	71,168	27,526	15,783	12,893
	$ 196,245	$ 72,913	$ 73,609	$ 63,124

SUMMARY OF COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

(in thousands)

	Medicine Hat College	Mount Royal College	NorQuest College	Northern Lakes College
Assets				
Current:				
Cash and short-term investments	$ 4,919	$ 30,955	$ 8,499	$ 3,658
Accounts receivable	934	5,390	1,374	874
Inventories	281	847	218	146
Prepaid expense and deposits	98	627	313	106
	6,232	37,819	10,404	4,784
Long-term:				
Investments	7,575	44,471	5,688	1,503
Capital assets	36,961	177,137	20,900	32,060
Other assets	-	-	-	-
	50,768	259,427	36,992	38,347
Liabilities and Net Assets				
Current:				
Bank indebtedness	-	-	-	-
Accounts payable and accrued liabilities	1,170	6,881	2,009	897
Payable to the Government of Alberta	-	-	-	-
Accrued vacation pay	561	4,704	2,471	2,032
Unearned revenue	505	3,198	949	104
Deferred contributions	747	6,135	686	1,009
Current portion of long term debt	75	-	-	-
Other current liabilities	-	1,006	-	78
	3,058	21,924	6,115	4,120
Long-Term:				
Debt	3,855	-	-	-
Pension obligations	-	-	-	-
Deferred contributions	-	4,710	-	-
Deferred capital contributions	2,955	20,118	414	88
Unamortized deferred capital contributions	25,744	132,017	15,515	26,753
Other long-term liabilities	273	41,556	-	-
	32,827	198,401	15,929	26,841
Net Assets:				
Endowments	2,552	14,278	367	65
Investment in capital assets	7,287	14,210	5,386	5,244
Internally restricted	2,545	8,612	7,813	13
Unrestricted	2,499	2,002	1,382	2,063
	14,883	39,102	14,948	7,385
	$ 50,768	$ 259,427	$ 36,992	$ 38,346

SUMMARY OF COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

	(in thousands)		
	Olds College	**Portage College**	**Red Deer College**
Assets			
Current:			
Cash and short-term investments	$ 3,639	$ 2,662	$ 10,529
Accounts receivable	2,556	797	1,523
Inventories	349	169	818
Prepaid expense and deposits	-	115	277
	6,544	3,743	13,147
Long-term:			
Investments	5,762	440	6,476
Capital assets	29,636	32,714	55,948
Other assets	170	-	1,262
	42,112	36,897	76,833
Liabilities and Net Assets			
Current:			
Bank indebtedness	-	-	-
Accounts payable and accrued liabilities	1,404	425	5,707
Payable to the Government of Alberta	-	-	-
Accrued vacation pay	1,215	1,219	3,113
Unearned revenue	1,072	219	1,734
Deferred contributions	1,659	752	2,570
Current portion of long term debt	180	-	168
Other current liabilities	-	-	289
	5,530	2,615	13,581
Long-Term:			
Debt	3,981	-	4,922
Pension obligations	-	-	-
Deferred contributions	-	-	-
Deferred capital contributions	931	-	844
Unamortized deferred capital contributions	17,599	29,149	37,789
Other long-term liabilities	-	-	224
	22,511	29,149	43,779
Net Assets:			
Endowments	4,716	380	5,632
Investment in capital assets	7,877	3,565	13,818
Internally restricted	451	884	23
Unrestricted	1,027	304	-
	14,071	5,133	19,473
	$ 42,112	$ 36,897	$ 76,833

SUMMARY OF COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

(in thousands)

	2003 Totals	2002 Totals as restated
Assets		
Current:		
Cash and short-term investments	$ 91,297	$ 101,527
Accounts receivable	26,362	22,789
Inventories	8,069	6,990
Prepaid expense and deposits	2,833	2,709
	128,561	134,015
Long-term:		
Investments	149,287	201,881
Capital assets	798,404	729,506
Other assets	2,135	2,044
	1,078,387	1,067,446
Liabilities and Net Assets		
Current:		
Bank indebtedness	1,690	886
Accounts payable and accrued liabilities	35,059	33,198
Payable to the Government of Alberta	-	-
Accrued vacation pay	28,445	25,913
Unearned revenue	17,247	15,814
Deferred contributions	23,973	42,481
Current portion of long term debt	1,556	1,382
Other current liabilities	2,155	1,307
	110,125	120,981
Long-Term:		
Debt	35,060	34,583
Pension obligations	-	-
Deferred contributions	4,710	4,577
Deferred capital contributions	34,732	81,084
Unamortized deferred capital contributions	567,516	543,511
Other long-term liabilities	43,832	13,550
	685,850	677,305
Net Assets:		
Endowments	51,835	47,727
Investment in capital assets	164,467	151,085
Internally restricted	38,685	37,458
Unrestricted	27,424	32,890
	282,411	269,160
	$ 1,078,386	$ 1,067,446

SUMMARY OF TECHNICAL INSTITUTES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2003

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2003 Totals	2002 Totals as restated	2003 Budget
Revenue:					
Grants	$ 92,038	$ 79,092	$ 171,130	$ 164,709	$ 169,295
Earned revenue programs	24,467	35,135	59,602	54,222	61,170
Tuition and related fees	24,448	26,708	51,156	43,015	49,000
Donations and fund raising	2,178	7,094	9,272	7,045	2,500
Ancillary services	14,421	16,760	31,181	28,195	31,561
Sales, rentals and services	4,131	5,164	9,295	7,576	10,048
Investment income	1,373	610	1,983	3,827	2,730
Amortization of deferred capital contributions	6,273	7,400	13,673	13,880	15,150
	169,329	177,963	347,292	322,469	341,454
Expenses:					
Salaries, wages and benefits	109,446	103,481	212,927	204,383	216,058
Supplies and services	36,987	33,820	70,807	67,083	67,416
Utilities	6,727	7,398	14,125	12,504	13,505
Interest		4,301	4,301	3,813	4,260
Facility rentals	552	-	552	1,068	559
Scholarships and bursaries	765	3,306	4,071	2,713	1,500
Repairs and maintenance	-	8,666	8,666	8,757	7,456
Pension adjustment	-	-	-	-	-
Capital amortization	12,229	17,015	29,244	27,923	30,600
Loss on disposal of capital assets	246	368	614	1,076	100
	166,952	178,355	345,307	329,320	341,454
Excess Revenue over Expenses	$ 2,377	$ (392)	$ 1,985	$ (6,851)	$ -
Changes in Financial Position					
Cash and short-term investments, net of bank indebtedness:					
Generated/(used) by operations	$ 4,017	$ 8,059	$ 12,076	$ 15,072	
Generated/(used) by investing activities	(13,851)	(13,963)	(27,814)	(51,768)	
Generated/(used) by financing activities	8,735	2,755	11,490	31,600	
Net sources/(uses) during year	(1,099)	(3,149)	(4,248)	(5,096)	
Amount at the beginning of the year	2,318	8,061	10,379	15,475	
Amount at the end of the year	$ 1,219	$ 4,912	$ 6,131	$ 10,379	

SUMMARY OF TECHNICAL INSTITUTES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

(in thousands)

	Northern Alberta Institute of Technology	**Southern Alberta Institute of Technology**	**2003 Totals**	**2002 Totals as restated**
Assets				
Current:				
Cash & short-term investments	$ 1,219	$ 4,912	$ 6,131	$ 10,379
Accounts receivable	6,526	6,675	13,201	14,184
Inventories	3,447	1,161	4,608	5,288
Prepaid expenses	985	978	1,963	1,740
Total Current	12,177	13,726	25,903	31,591
Investments	27,666	38,555	66,221	64,353
Capital assets	173,945	199,896	373,841	377,689
Long-term receivable	3,802	544	4,346	3,108
Total Assets	$ 217,590	$ 252,721	$ 470,311	$ 476,741
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ -	$ -	$ -	$ -
Accounts payable and accrued liabilities	11,323	15,291	26,614	32,282
Accrued vacation pay	10,554	7,555	18,109	18,315
Unearned revenue	6,530	4,421	10,951	10,715
Deferred salary plans	-	396	396	409
Deferred contribution	5,618	8,131	13,749	15,632
Current portion of long-term debt	139	3,586	3,725	3,623
Current portion of long-term leases	236	-	236	264
Total Current Liabilities	34,400	39,380	73,780	81,240
Long-Term:				
Debt	-	56,638	56,638	60,133
Deferred capital contributions	1,598	13,919	15,517	15,578
Long-term leases	312	-	312	167
Pension obligations	-	-	-	-
Unamortized deferred capital contribution	99,529	75,976	175,505	174,522
Total Long-Term Liabilities	101,439	146,533	247,972	250,400
Net Assets:				
Endowments	8,992	8,584	17,576	16,103
Internally restricted	-	-	-	-
Invested in capital assets	73,729	63,696	137,425	138,980
Unrestricted net assets	(970)	(5,472)	(6,442)	(9,982)
Total Net Assets	81,751	66,808	148,559	145,101
Total Liabilities and Net Assets	$ 217,590	$ 252,721	$ 470,311	$ 476,741

Colleges and Technical Institutes
Disclosure of Salaries and Benefits for President Positions
June 30, 2003

Post-Secondary Institution	Remuneration	Benefits & Allowances*	Total
Alberta College of Art and Design	$126,787	$47,257	$174,044
Bow Valley College	$137,500	$52,538	$190,038
Fairview College	$107,501	$22,932	$130,433
Grande Prairie Regional College	$120,000	$17,302	$137,302
Grant MacEwan College	$165,468	$26,471	$191,939
Keyano College	$161,968	$31,368	$193,336
Lakeland College	$140,000	$19,642	$159,642
Lethbridge Community College	$152,325	$12,463	$164,788
Medicine Hat College	$146,000	$18,948	$164,948
Mount Royal College**	$189,000	$152,729	$341,729
NorQuest College	$123,600	$16,615	$140,215
Northern Lakes College	$145,508	$6,718	$152,226
Olds College	$139,894	$13,871	$153,765
Portage College	$109,737	$29,394	$139,131
Red Deer College	$141,420	$21,455	$162,875
Northern Alberta Institute of Technology	$231,000	$14,000	$245,000
Southern Alberta Institute of Technology	$169,000	$37,000	$206,000

* Benefits & Allowances includes the College's and Technical Institute's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long-term disability plans. It may also include vehicle, parking and travel allowances, professional memberships, special paid leave, vacation payouts, remission of tuition fees and others.

** Benefits & Allowances for Mount Royal College's President includes leave and retirement plan amounts earned, but not paid.

Note: The Presidents of Colleges and Technical Institutes are appointed by the Institution's Board of Governors.

SUMMARY OF UNIVERSITIES
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2004

(in thousands)

	Universities				2004	2003	2004
	Alberta	Calgary	Lethbridge	Athabasca	Totals	Totals as restated	Budget
Revenue:							
Grants	$ 526,793	$ 345,797	$ 62,659	$ 22,135	$ 957,384	$ 863,663	$ 900,459
Tuition and related fees	153,154	113,562	30,183	35,753	332,652	300,750	315,206
Non-credit tuition and related fees	-	13,326	-	-	13,326	14,240	15,163
Donations and contributions	42,856	63,068	307	163	106,394	89,345	61,328
Investment & royalty income (loss)	72,756	29,688	1,940	872	105,256	(22,751)	116,741
Sales, rentals and services	149,423	68,425	9,844	9,226	236,918	223,631	224,256
Amortization of deferred capital contributions	54,232	57,861	6,262	1,122	119,477	105,070	113,145
Miscellaneous revenue	-	-	2,545	694	3,239	2,872	816
	999,214	691,727	113,740	69,965	1,874,646	1,576,820	1,747,114
Expense:							
Salaries	492,000	346,889	58,968	40,177	938,034	868,720	970,062
Employee benefits	82,477	48,217	9,694	-	140,388	133,752	80,388
Materials, supplies and services	165,280	101,916	10,496	14,890	292,582	262,791	482,161
Maintenance, utilities and property tax	59,160	33,515	5,761	1,458	99,894	98,306	8,361
Scholarships and bursaries	56,730	22,945	2,586	207	82,468	72,631	20,374
Travel	-	20,095	2,801	4,171	27,067	27,944	5,947
Cost of goods sold	-	18,251	3,041	-	21,292	20,725	3,034
Interest/financing	7,201	3,665	687	-	11,553	10,747	4,422
Amortization of capital assets	74,531	78,151	11,557	3,153	167,392	152,438	160,689
Unrealized loss on write-down of investments	-	-	85	-	85	2,755	-
Other					-	-	5,961
Loss/(gain) on disposal of capital assets	-	-	1	-	1	199	-
	937,379	673,644	105,677	64,056	1,780,756	1,651,008	1,741,399
Excess Revenue over Expenses	$ 61,835	$ 18,083	$ 8,063	$ 5,909	$ 93,890	$ (74,188)	$ 5,715
Changes In Financial Position							
Cash and short-term investments, net of bank indebtedness:							
Generated/(used) by operations	$ 52,648	$ 12,846	$ 14,347	$ 10,308	$ 90,149	$ 91,761	
Generated/(used) by investing activities	(248,623)	(104,129)	(12,621)	(8,977)	(374,350)	(242,964)	
Generated/(used) by financing activities	199,087	120,699	6,992	(44)	326,734	185,993	
Net sources/(uses) during year	3,112	29,416	8,718	1,287	42,533	34,790	
Amount at the beginning of the year	135,773	175,720	3,835	14,892	330,220	295,430	
Amount at the end of the year	$ 138,885	$ 205,136	$ 12,553	$ 16,179	$ 372,753	$ 330,220	

SUMMARY OF UNIVERSITIES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2004

(in thousands)

	Universities				2004	2003
	Alberta	Calgary	Lethbridge	Athabasca	Totals	Totals
Assets						as restated
Current:						
Cash and short-term investments	$ 146,590	$ 205,136	$ 12,553	$ 16,179	$ 380,458	$ 346,578
Accounts receivable	83,482	90,214	3,990	3,740	181,426	169,673
Inventories	-	5,033	541	2,847	8,421	8,585
Prepaid expenses and deposits	-	3,494	574	560	4,628	4,155
Other	12,678	-	-	-	12,678	11,142
Total Current	242,750	303,877	17,658	23,326	587,611	540,133
Investments	745,239	276,481	47,815	12,599	1,082,134	856,586
Capital assets and collections	1,080,361	598,763	173,409	20,151	1,872,684	1,720,752
Other assets	-	17,682	-	318	18,000	49,137
Total Assets	$ 2,068,350	$ 1,196,803	$ 238,882	$ 56,394	$ 3,560,429	$ 3,166,608
Liabilities and Net Assets						
Current:						
Bank indebtedness	$ 7,705	$ -	$ -	$ -	$ 7,705	$ 16,358
Accounts payable and accrued liabilities	82,195	72,687	4,164	1,754	160,800	156,643
Current portion of employee benefit liabilities	41,522	-	4,428	4,527	50,477	49,031
Deferred revenue	9,703	18,030	3,695	10,454	41,882	41,280
Deferred contributions	169,596	166,227	10,726	2,431	348,980	315,292
Current portion of long-term liabilities	3,236	3,652	109	50	7,047	6,049
Total Current Liabilities	313,957	260,596	23,122	19,216	616,891	584,653
Long-Term:						
Employee benefit liabilities	45,874	-	4,644	1,746	52,264	56,343
Deferred contributions	90,000	-	-	-	90,000	75,000
Deferred capital contributions	2,813	22,777	1,282	135	27,007	26,618
Unamortized deferred capital contributions	656,589	373,828	88,358	12,855	1,131,630	1,043,708
Long-term debt	92,809	-	3,891	-	96,700	72,685
Other long-term liabilities	-	56,799	319	95	57,213	60,374
Total Long-Term Liabilities	888,085	453,404	98,494	14,831	1,454,814	1,334,728
Net Assets:						
Endowments	538,508	274,465	11,227	1,089	825,289	688,989
Investment in capital assets	331,770	188,577	81,050	7,469	608,866	569,815
Internally restricted	-	19,217	5,399	12,027	36,643	18,684
Unrestricted	(3,970)	544	19,590	1,762	17,926	(30,261)
Total Net Assets	866,308	482,803	117,266	22,347	1,488,724	1,247,227
Total Liabilities & Net Assets	$ 2,068,350	$ 1,196,803	$ 238,882	$ 56,394	$ 3,560,429	$ 3,166,608

SUMMARY OF THE BANFF CENTRE FOR CONTINUING EDUCATION
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2004

	(in thousands)	
	Year Ended March 31, 2004	**Year Ended March 31, 2003 as restated**
Revenue:		
Grants	$ 14,191	$ 13,815
Accommodation	13,282	12,840
Sales, rentals and services	6,967	6,462
Tuition and related fees	4,968	5,045
Investment income	68	39
Donations and other contributions	2,774	2,742
Amortization of deferred expended capital contributions	1,499	1,657
	43,749	42,600
Expense:		
Salaries, wages and benefits	22,688	21,508
Scholarships and financial assistance	3,710	2,953
Supplies and materials	4,053	3,928
Facility operating	3,364	3,310
Purchased services	2,980	3,623
Travel and related	1,355	1,503
Financial costs	654	661
Marketing and promotion	601	514
Vehicles and equipment	1,217	1,304
Amortization of capital assets	2,182	2,209
Loss/(gain) on disposal of capital assets	(694)	2
	42,110	41,515
Excess Revenue over Expenses	$ 1,639	$ 1,085
Changes in Financial Position		
Cash and short term investments:		
Generated by operations	$ 2,270	$ 2,713
Generated/(used) by investing activities	(3,248)	(3,865)
Generated/(used) by financing activities	656	2,257
Net sources/(uses) during year	(322)	1,105
Cash and short-term investments at beginning of year	1,841	736
Cash and short-term investments at end of year	$ 1,519	$ 1,841

SUMMARY OF THE BANFF CENTRE FOR CONTINUING EDUCATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2004

	(in thousands) 2004	2003
Assets		
Current:		
Cash and short-term investments	$ 1,519	$ 1,841
Accounts receivable	1,907	1,693
Inventories	426	458
Prepaid expense	215	191
	4,067	4,183
Note receivable	494	473
Long-term investments	6,543	6,388
Capital assets	50,106	48,328
Long-term pledges receivable	313	0
Total Assets	$ 61,523	$ 59,372
Liabilities and Net Assets		
Current:		
Accounts payable	$ 2,012	$ 2,208
Accrued vacation pay	1,084	1,054
Unearned revenue	1,438	683
Deferred contributions	2,460	1,501
Long-term debt due within one year	3,519	3,893
	10,513	9,339
Long-Term:		
Deferred contributions	1,086	1,458
Long-term debt	8	64
Deferred expended capital contributions	33,748	34,184
	34,842	35,706
Net Assets:		
Endowments	6,543	6,341
Operating net assets	9,625	7,986
	16,168	14,327
Total Liabilities and Net Assets	$ 61,523	$ 59,372

Universities
Disclosure of Salaries and Benefits for President Positions
March 31, 2004

Universities	**Remuneration**	**Benefits & Allowances***	**Total**
Athabasca University	$202,000	$23,000	$225,000
University of Alberta	$372,000	$196,000	$568,000
University of Calgary	$275,000	$116,000	$391,000
University of Lethbridge	$217,000	$83,000	$300,000

* Benefits & Allowances includes the University's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long-term disability plans. It may also include vehicle, parking and travel allowances, housing allowances, professional memberships, special paid leave, vacation payouts, remission of tuition fees and others.

Note: The Presidents of Universities are appointed by the Institution's Board of Governors.

The Banff Centre for Continuing Education
Disclosure of Salaries and Benefits for President's Position
March 31, 2004

	Remuneration	**Benefits & Allowances***	**Total**
The Banff Centre for Continuing Education	$208,000	$14,000	$222,000

* Benefits & Allowances includes the Banff Centre's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long-term disability plans. It may also include vehicle, parking and travel allowances, housing allowances, professional memberships, special paid leave, vacation payouts, remission of tuition fees and others.

Note: The President of Banff Centre is appointed by the Institution's Board of Governors.

Summary of Significant Accounting Policies

Post-secondary institutions and school jurisdictions prepare their financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The following are significant accounting policies followed by these entities:

- Revenues and expenses are recognized on an accrual basis.
- Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered.
- Unrestricted contributions are recognized as revenues when received.
- Capital grants are recorded as deferred contributions until the amounts are invested in capital assets.
- Once capital grants are invested in capital assets, the amounts are transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.
- Endowment contributions are recognized as direct increases in net assets in the period in which they are received.
- Contributions for capital assets that will not be amortized, such as land and art collections, are recorded as direct increases in net assets in the period the assets are acquired.
- Capital assets are recorded at cost when acquired. Capital assets are amortized based on amortization policies set by post-secondary institutions and school jurisdictions.
- Donated assets are recorded at fair value where fair value is reasonably determined.
- Inventories of merchandise for resale are valued at the lower of cost and net realizable value. Inventories of supplies for consumption are valued at the lower of cost and replacement value.
- Investments are recorded at cost or amortized cost where applicable. Gains or losses are recognized in the year of disposal or when there is other than temporary impairment in the value of the investment.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Almadina School Society	Aspen View Reg. Div. #19	Aurora School Ltd.	Battle River Reg. Div. #31
Assets				
Current:				
Cash and temporary investments	$ 226	$ 4,364	$ 2,505	$ 10,666
Accounts receivable (net after allowances)	85	1,317	91	1,898
Prepaid expenses	19	246	4	505
Other current assets	17	13	0	595
	347	5,940	2,600	13,664
School generated assets	0	484	0	677
Trust assets	0	0	0	217
Long term accounts receivable	0	0	0	0
Capital assets	0	14,951	148	44,545
Total Assets	$ 347	$ 21,375	$ 2,748	$ 59,103
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	164	1,842	251	2,650
Deferred revenue	21	689	75	2,176
Deferred capital allocations	0	0	0	53
Current portion of long term debt	0	593	0	1,304
	185	3,124	326	6,183
School generated funds	0	484	0	677
Trust liabilities	0	0	0	217
Employee future benefits liability	0	183	0	0
Long term debt	0	3,963	0	10,080
Unamortized capital allocations	0	8,565	0	14,189
Total liabilities	185	16,319	326	31,346
Net assets:				
Unrestricted net assets	135	576	82	1,433
Operating reserves	27	2,555	510	7,306
Accumulated operating surplus (deficit)	162	3,131	592	8,739
Investment in capital assets	0	1,830	148	18,971
Capital reserves	0	95	1,682	47
Total capital funds	0	1,925	1,830	19,018
Total Net Assets	162	5,056	2,422	27,757
	$ 347	$ 21,375	$ 2,748	$ 59,103

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Black Gold Reg. Div. #18	**Boyle Street Education Centre**	**Buffalo Trail Public Schools Reg. Div. #28**	**CAPE-Centre for Academic and Personal Excellence Institute**
Assets				
Current:				
Cash and temporary investments	$ 14,730	$ 307	$ 5,879	$ 6
Accounts receivable (net after allowances)	2,280	59	2,630	49
Prepaid expenses	190	8	144	30
Other current assets	380	0	119	596
	17,580	374	8,772	681
School generated assets	932	20	587	0
Trust assets	552	27	58	0
Long term accounts receivable	257	0	0	0
Capital assets	51,034	0	41,309	57
Total Assets	$ 70,355	$ 421	$ 50,726	$ 738
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	4,773	34	2,370	60
Deferred revenue	1,839	13	642	10
Deferred capital allocations	6,524	0	60	0
Current portion of long term debt	2,501	0	1,741	10
	15,637	47	4,813	80
School generated funds	932	20	587	0
Trust liabilities	552	27	58	0
Employee future benefits liability	0	0	6	0
Long term debt	11,277	0	11,860	26
Unamortized capital allocations	31,786	0	26,533	0
Total liabilities	60,184	94	43,857	106
Net assets:				
Unrestricted net assets	192	327	2,470	611
Operating reserves	3,378	0	3,218	0
Accumulated operating surplus (deficit)	3,570	327	5,688	611
Investment in capital assets	5,470	0	1,174	21
Capital reserves	1,131	0	7	0
Total capital funds	6,601	0	1,181	21
Total Net Assets	10,171	327	6,869	632
	$ 70,355	$ 421	$ 50,726	$ 738

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Calgary RCSSD #1	Calgary School Dist. #19	Calgary Science School Society	Canadian Rockies Reg. Div. #12
Assets				
Current:				
Cash and temporary investments	$ 42,975	$ 52,959	$ 433	$ 490
Accounts receivable (net after allowances)	25,085	19,183	184	1,735
Prepaid expenses	802	3,971	105	217
Other current assets	386	22,382	0	75
	69,248	98,495	722	2,517
School generated assets	3,153	11,831	0	222
Trust assets	0	0	0	81
Long term accounts receivable	0	10,225	0	0
Capital assets	219,785	335,403	0	31,952
Total Assets	$ 292,186	$ 455,954	$ 722	$ 34,772
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	30,236	49,771	264	1,153
Deferred revenue	5,940	20,181	276	177
Deferred capital allocations	24,374	14,594	0	433
Current portion of long term debt	6,117	9,638	0	852
	66,667	94,184	540	2,615
School generated funds	3,153	11,831	0	222
Trust liabilities	0	0	0	81
Employee future benefits liability	0	15,902	0	0
Long term debt	26,243	67,637	0	9,163
Unamortized capital allocations	156,183	227,896	0	20,020
Total liabilities	252,246	417,450	540	32,101
Net assets:				
Unrestricted net assets	2,732	(9,584)	35	1
Operating reserves	5,341	0	147	423
Accumulated operating surplus (deficit)	8,073	(9,584)	182	424
Investment in capital assets	31,243	30,232	0	1,917
Capital reserves	624	17,856	0	330
Total capital funds	31,867	48,088	0	2,247
Total Net Assets	39,940	38,504	182	2,671
	$ 292,186	$ 455,954	$ 722	$ 34,772

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Chinook's Edge School Div. #73	**Christ the Redeemer CS Reg. Div. #3**	**Clearview School Div. #71**	**East Central Alberta CS Schools Reg. Div. #16**
Assets				
Current:				
Cash and temporary investments	$ 10,432	$ 1,295	$ 7,830	$ 922
Accounts receivable (net after allowances)	3,068	2,355	713	4,279
Prepaid expenses	1,140	719	194	198
Other current assets	2	0	185	0
	14,642	4,369	8,922	5,399
School generated assets	926	149	207	272
Trust assets	285	16	190	0
Long term accounts receivable	0	0	0	0
Capital assets	70,807	43,356	30,073	12,127
Total Assets	$ 86,660	$ 47,890	$ 39,392	$ 17,798
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	3,249	2,335	2,529	1,211
Deferred revenue	1,386	291	479	675
Deferred capital allocations	5,076	1,160	1,785	1,025
Current portion of long term debt	936	953	532	257
	10,647	4,739	5,325	3,168
School generated funds	926	149	207	272
Trust liabilities	285	16	190	0
Employee future benefits liability	128	0	0	0
Long term debt	6,759	6,358	4,641	1,051
Unamortized capital allocations	51,735	34,439	20,345	9,820
Total liabilities	70,480	45,701	30,708	14,311
Net assets:				
Unrestricted net assets	1,278	0	1,409	929
Operating reserves	2,577	516	2,318	1,057
Accumulated operating surplus (deficit)	3,855	516	3,727	1,986
Investment in capital assets	11,378	1,607	4,555	999
Capital reserves	947	66	402	502
Total capital funds	12,325	1,673	4,957	1,501
Total Net Assets	16,180	2,189	8,684	3,487
	$ 86,660	$ 47,890	$ 39,392	$ 17,798

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	East Central Francophone Educ.Region #3	Edmonton CSSD #7	Edmonton School Dist. #7	Elk Island CS Reg. Div. #41
Assets				
Current:				
Cash and temporary investments	$ 4,942	$ 24,051	$ 27,596	$ 8,787
Accounts receivable (net after allowances)	812	12,563	14,393	2,306
Prepaid expenses	48	1,498	1,041	137
Other current assets	0	361	5,085	0
	5,802	38,473	48,115	11,230
School generated assets	49	0	4,937	375
Trust assets	0	0	593	100
Long term accounts receivable	0	0	0	0
Capital assets	8,925	96,702	284,501	30,002
Total Assets	$ 14,776	$ 135,175	$ 338,146	$ 41,707
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 4,973	$ 0	$ 0
Accounts payable and accrued liabilities	94	20,303	22,975	4,124
Deferred revenue	277	6,821	16,318	672
Deferred capital allocations	5,443	31,270	9,345	5,162
Current portion of long term debt	48	2,719	8,412	1,407
	5,862	66,086	57,050	11,365
School generated funds	49	0	4,937	375
Trust liabilities	0	0	593	100
Employee future benefits liability	0	0	0	0
Long term debt	61	10,944	37,915	8,613
Unamortized capital allocations	8,460	42,730	148,202	16,255
Total liabilities	14,432	119,760	248,697	36,708
Net assets:				
Unrestricted net assets	(12)	4,975	(2,487)	363
Operating reserves	0	488	0	718
Accumulated operating surplus (deficit)	(12)	5,463	(2,487)	1,081
Investment in capital assets	356	8,662	89,973	3,728
Capital reserves	0	1,290	1,963	190
Total capital funds	356	9,952	91,936	3,918
Total Net Assets	344	15,415	89,449	4,999
	$ 14,776	$ 135,175	$ 338,146	$ 41,707

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Elk Island Public Schools Reg. Div. #14	Evergreen CS Reg. Div. #2	FFCA Charter School Society	Foothills School Div. #38
Assets				
Current:				
Cash and temporary investments	$ 14,760	$ 8,304	$ 1,131	$ 7,735
Accounts receivable (net after allowances)	2,781	1,076	211	2,184
Prepaid expenses	232	149	221	240
Other current assets	6	0	0	0
	17,779	9,529	1,563	10,159
School generated assets	2,092	181	18	980
Trust assets	2,407	134	0	295
Long term accounts receivable	0	0	0	0
Capital assets	40,478	22,082	13	53,668
Total Assets	$ 62,756	$ 31,926	$ 1,594	$ 65,102
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	6,885	2,744	432	1,892
Deferred revenue	2,672	128	407	413
Deferred capital allocations	6,137	4,440	0	7,239
Current portion of long term debt	3,176	561	0	1,671
	18,870	7,873	839	11,215
School generated funds	2,092	181	18	980
Trust liabilities	2,407	134	0	295
Employee future benefits liability	0	0	0	0
Long term debt	9,265	4,912	0	7,106
Unamortized capital allocations	24,999	15,125	0	36,372
Total liabilities	57,633	28,225	857	55,968
Net assets:				
Unrestricted net assets	0	352	0	0
Operating reserves	999	1,111	724	270
Accumulated operating surplus (deficit)	999	1,463	724	270
Investment in capital assets	3,038	1,483	13	8,532
Capital reserves	1,086	755	0	332
Total capital funds	4,124	2,238	13	8,864
Total Net Assets	5,123	3,701	737	9,134
	$ 62,756	$ 31,926	$ 1,594	$ 65,102

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Fort McMurray RCSSD #32	Fort McMurray School Dist. #2833	Fort Vermilion School Div. # 52	Golden Hills School Div. #75
Assets				
Current:				
Cash and temporary investments	$ 6,620	$ 10,339	$ 0	$ 634
Accounts receivable (net after allowances)	2,469	1,347	3,022	2,156
Prepaid expenses	98	443	213	371
Other current assets	0	0	150	144
	9,187	12,129	3,385	3,305
School generated assets	357	636	275	673
Trust assets	151	462	115	382
Long term accounts receivable	0	0	0	0
Capital assets	33,191	35,179	57,346	43,345
Total Assets	$ 42,886	$ 48,406	$ 61,121	$ 47,705
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 221	$ 0
Accounts payable and accrued liabilities	1,532	3,835	2,119	1,533
Deferred revenue	1,040	2,435	289	456
Deferred capital allocations	768	4,157	86	485
Current portion of long term debt	726	1,102	1,391	1,067
	4,066	11,529	4,106	3,541
School generated funds	357	636	275	673
Trust liabilities	151	462	115	382
Employee future benefits liability	0	0	0	0
Long term debt	2,897	2,294	6,557	6,059
Unamortized capital allocations	16,392	25,402	40,425	32,712
Total liabilities	23,863	40,323	51,478	43,367
Net assets:				
Unrestricted net assets	2,036	242	0	518
Operating reserves	948	1,360	489	244
Accumulated operating surplus (deficit)	2,984	1,602	489	762
Investment in capital assets	13,177	6,381	8,973	3,507
Capital reserves	2,862	100	181	69
Total capital funds	16,039	6,481	9,154	3,576
Total Net Assets	19,023	8,083	9,643	4,338
	$ 42,886	$ 48,406	$ 61,121	$ 47,705

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Grande Prairie RCSSD #28	Grande Prairie School Dist. #2357	Grande Yellowhead Reg. Div. #35	Grasslands Reg. Div. #6
Assets				
Current:				
Cash and temporary investments	$ 1,434	$ 16	$ 7,943	$ 5,187
Accounts receivable (net after allowances)	1,636	4,054	7,031	1,161
Prepaid expenses	191	883	460	9
Other current assets	83	180	172	92
	3,344	5,133	15,606	6,449
School generated assets	300	396	557	449
Trust assets	57	273	828	352
Long term accounts receivable	1,151	0	0	0
Capital assets	31,756	43,075	21,819	16,932
Total Assets	$ 36,608	$ 48,877	$ 38,810	$ 24,182
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 540	$ 0	$ 0
Accounts payable and accrued liabilities	2,063	3,307	3,318	1,608
Deferred revenue	272	1,482	721	954
Deferred capital allocations	1,646	25	5,797	337
Current portion of long term debt	908	1,452	954	607
	4,889	6,806	10,790	3,506
School generated funds	300	396	557	449
Trust liabilities	57	273	828	352
Employee future benefits liability	0	0	0	0
Long term debt	6,865	11,794	5,396	6,954
Unamortized capital allocations	22,860	27,861	10,175	5,730
Total liabilities	34,971	47,130	27,746	16,991
Net assets:				
Unrestricted net assets	0	(310)	1,278	789
Operating reserves	32	0	4,306	2,577
Accumulated operating surplus (deficit)	32	(310)	5,584	3,366
Investment in capital assets	1,123	1,968	5,294	3,641
Capital reserves	482	89	186	184
Total capital funds	1,605	2,057	5,480	3,825
Total Net Assets	1,637	1,747	11,064	7,191
	$ 36,608	$ 48,877	$ 38,810	$ 24,182

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Greater North Central Francophone Educ. Region #2	**Greater Southern Public Francophone Educ. Region #4**	**Greater Southern Sep. Catholic Francophone Educ. Region #4**	**Greater St. Albert Catholic Reg. Div. #29**
Assets				
Current:				
Cash and temporary investments	$ 4,945	$ 384	$ 1,049	$ 1,118
Accounts receivable (net after allowances)	992	1,691	205	2,652
Prepaid expenses	288	11	31	804
Other current assets	0	0	0	0
	6,225	2,086	1,285	4,574
School generated assets	261	9	19	1,033
Trust assets	83	0	0	283
Long term accounts receivable	0	0	0	0
Capital assets	24,572	6,041	5,714	37,546
Total Assets	$ 31,141	$ 8,136	$ 7,018	$ 43,436
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	2,640	773	177	2,054
Deferred revenue	699	733	213	1,220
Deferred capital allocations	315	50	0	0
Current portion of long term debt	41	0	0	1,500
	3,695	1,556	390	4,774
School generated funds	261	9	19	1,033
Trust liabilities	83	0	0	283
Employee future benefits liability	15	0	0	0
Long term debt	89	0	0	13,973
Unamortized capital allocations	19,991	5,919	5,664	16,909
Total liabilities	24,134	7,484	6,073	36,972
Net assets:				
Unrestricted net assets	2,228	262	223	18
Operating reserves	158	268	267	281
Accumulated operating surplus (deficit)	2,386	530	490	299
Investment in capital assets	4,451	122	50	5,164
Capital reserves	170	0	405	1,001
Total capital funds	4,621	122	455	6,165
Total Net Assets	7,007	652	945	6,464
	$ 31,141	$ 8,136	$ 7,018	$ 43,436

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	High Prairie School Div. #48	Holy Family Catholic Reg. Div. #37	Holy Spirit RCS Reg. Div. #4	Horizon School Div. #67
Assets				
Current:				
Cash and temporary investments	$ 5,689	$ 4,904	$ 6,080	$ 7,901
Accounts receivable (net after allowances)	1,917	573	2,888	772
Prepaid expenses	296	194	136	0
Other current assets	0	1	18	0
	7,902	5,672	9,122	8,673
School generated assets	498	211	574	679
Trust assets	393	182	273	0
Long term accounts receivable	0	0	0	0
Capital assets	25,110	18,208	31,108	14,755
Total Assets	$ 33,903	$ 24,273	$ 41,077	$ 24,107
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 32	$ 0
Accounts payable and accrued liabilities	1,412	968	2,765	210
Deferred revenue	828	560	768	306
Deferred capital allocations	47	24	3,931	1,538
Current portion of long term debt	587	742	696	193
	2,874	2,294	8,192	2,247
School generated funds	498	211	574	679
Trust liabilities	393	182	273	0
Employee future benefits liability	0	0	0	0
Long term debt	2,389	5,113	3,697	1,095
Unamortized capital allocations	18,187	10,346	24,242	10,478
Total liabilities	24,341	18,146	36,978	14,499
Net assets:				
Unrestricted net assets	0	211	287	3,776
Operating reserves	3,919	2,721	1,584	2,117
Accumulated operating surplus (deficit)	3,919	2,932	1,871	5,893
Investment in capital assets	3,992	2,007	2,049	2,989
Capital reserves	1,651	1,188	179	726
Total capital funds	5,643	3,195	2,228	3,715
Total Net Assets	9,562	6,127	4,099	9,608
	$ 33,903	$ 24,273	$ 41,077	$ 24,107

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Lakeland RCSSD #150	**Lethbridge School Dist. #51**	**Living Waters Catholic Reg. Div. #42**	**Livingstone Range School Div. #68**
Assets				
Current:				
Cash and temporary investments	$ 4,251	$ 8,770	$ 5,779	$ 5,470
Accounts receivable (net after allowances)	985	5,507	703	4,062
Prepaid expenses	150	279	83	112
Other current assets	303	102	0	143
	5,689	14,658	6,565	9,787
School generated assets	116	789	284	752
Trust assets	11	440	37	101
Long term accounts receivable	0	27	0	0
Capital assets	9,026	39,543	17,648	32,279
Total Assets	$ 14,842	$ 55,457	$ 24,534	$ 42,919
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	1,372	5,524	1,248	2,919
Deferred revenue	641	1,154	774	2,076
Deferred capital allocations	0	4,209	2,430	2,855
Current portion of long term debt	368	1,231	561	519
	2,381	12,118	5,013	8,369
School generated funds	116	789	284	752
Trust liabilities	11	440	37	101
Employee future benefits liability	0	0	0	0
Long term debt	2,666	8,782	4,875	3,189
Unamortized capital allocations	4,511	26,774	10,200	23,957
Total liabilities	9,685	48,903	20,409	36,368
Net assets:				
Unrestricted net assets	0	630	312	836
Operating reserves	2,423	2,979	1,671	1,089
Accumulated operating surplus (deficit)	2,423	3,609	1,983	1,925
Investment in capital assets	1,482	2,755	2,011	4,615
Capital reserves	1,252	190	131	11
Total capital funds	2,734	2,945	2,142	4,626
Total Net Assets	5,157	6,554	4,125	6,551
	$ 14,842	$ 55,457	$ 24,534	$ 42,919

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Medicine Hat CS Reg. Div. #20	Medicine Hat School Dist. #76	Moberly Hall School Society	New Horizons Charter School Society
Assets				
Current:				
Cash and temporary investments	$ 4,668	$ 4,891	$ 257	$ 245
Accounts receivable (net after allowances)	1,788	2,521	25	39
Prepaid expenses	274	193	0	11
Other current assets	141	489	0	0
	6,871	8,094	282	295
School generated assets	231	847	0	7
Trust assets	7	1,537	0	0
Long term accounts receivable	0	0	0	0
Capital assets	13,861	28,704	2	0
Total Assets	$ 20,970	$ 39,182	$ 284	$ 302
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	1,680	2,145	39	23
Deferred revenue	123	927	28	52
Deferred capital allocations	4,460	793	0	0
Current portion of long term debt	235	891	0	0
	6,498	4,756	67	75
School generated funds	231	847	0	7
Trust liabilities	7	1,537	0	0
Employee future benefits liability	0	0	0	0
Long term debt	1,497	5,792	0	0
Unamortized capital allocations	11,691	18,921	0	0
Total liabilities	19,924	31,853	67	82
Net assets:				
Unrestricted net assets	309	267	215	124
Operating reserves	279	2,492	0	23
Accumulated operating surplus (deficit)	588	2,759	215	147
Investment in capital assets	437	3,100	2	0
Capital reserves	21	1,470	0	73
Total capital funds	458	4,570	2	73
Total Net Assets	1,046	7,329	217	220
	$ 20,970	$ 39,182	$ 284	$ 302

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Northern Gateway Reg. Div. #10	Northern Lights School Div. #69	Northland School Div. #61	Northwest Francophone Educ.Region #1
Assets				
Current:				
Cash and temporary investments	$ 1,334	$ 14,563	$ 5,244	$ 369
Accounts receivable (net after allowances)	2,589	2,155	7,089	367
Prepaid expenses	340	717	228	51
Other current assets	0	0	111	28
	4,263	17,435	12,672	815
School generated assets	874	590	248	59
Trust assets	267	59	0	0
Long term accounts receivable	0	0	1,458	0
Capital assets	54,646	29,463	40,872	4,751
Total Assets	$ 60,050	$ 47,547	$ 55,250	$ 5,625
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	1,492	3,216	2,455	142
Deferred revenue	693	837	1,479	77
Deferred capital allocations	38	5,924	493	0
Current portion of long term debt	1,394	1,323	2,206	0
	3,617	11,300	6,633	219
School generated funds	874	590	248	59
Trust liabilities	267	59	0	0
Employee future benefits liability	134	0	0	0
Long term debt	8,144	9,607	11,904	0
Unamortized capital allocations	38,384	14,724	20,650	4,261
Total liabilities	51,420	36,280	39,435	4,539
Net assets:				
Unrestricted net assets	499	97	4,844	110
Operating reserves	1,362	7,362	1,417	150
Accumulated operating surplus (deficit)	1,861	7,459	6,261	260
Investment in capital assets	6,723	3,808	6,111	490
Capital reserves	46	0	3,443	336
Total capital funds	6,769	3,808	9,554	826
Total Net Assets	8,630	11,267	15,815	1,086
	$ 60,050	$ 47,547	$ 55,250	$ 5,625

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Palliser Reg. Div. #26	Parkland School Div. #70	Peace River School Div. #10	Peace Wapiti Reg. Div. #33
Assets				
Current:				
Cash and temporary investments	$ 2,176	$ 9,073	$ 4,156	$ 9,737
Accounts receivable (net after allowances)	1,716	2,120	3,681	2,060
Prepaid expenses	96	73	170	196
Other current assets	46	0	256	395
	4,034	11,266	8,263	12,388
School generated assets	526	443	482	806
Trust assets	170	519	162	101
Long term accounts receivable	0	0	21	0
Capital assets	25,265	46,364	31,099	37,756
Total Assets	$ 29,995	$ 58,592	$ 40,027	$ 51,051
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	1,784	2,119	1,683	3,810
Deferred revenue	273	1,240	1,991	770
Deferred capital allocations	347	11	166	3,303
Current portion of long term debt	591	1,767	1,124	1,333
	2,995	5,137	4,964	9,216
School generated funds	526	443	482	806
Trust liabilities	170	519	162	101
Employee future benefits liability	0	0	0	0
Long term debt	5,048	7,899	8,260	11,067
Unamortized capital allocations	13,924	32,243	15,937	13,649
Total liabilities	22,663	46,241	29,805	34,839
Net assets:				
Unrestricted net assets	0	2,550	1,357	160
Operating reserves	1,169	2,937	826	3,446
Accumulated operating surplus (deficit)	1,169	5,487	2,183	3,606
Investment in capital assets	5,701	4,456	5,779	11,706
Capital reserves	462	2,408	2,260	900
Total capital funds	6,163	6,864	8,039	12,606
Total Net Assets	7,332	12,351	10,222	16,212
	$ 29,995	$ 58,592	$ 40,027	$ 51,051

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Pembina Hills Reg. Div. #7	**Prairie Land Reg. Div. #25**	**Prairie Rose Reg. Div. #8**	**Red Deer Catholic Reg. Div. #39**
Assets				
Current:				
Cash and temporary investments	$ 5,495	$ 6,295	$ 3,471	$ 1,522
Accounts receivable (net after allowances)	1,333	596	739	2,916
Prepaid expenses	246	84	356	929
Other current assets	347	0	3	20
	7,421	6,975	4,569	5,387
School generated assets	435	260	436	495
Trust assets	564	676	123	240
Long term accounts receivable	0	0	0	0
Capital assets	19,800	22,158	22,640	54,562
Total Assets	$ 28,220	$ 30,069	$ 27,768	$ 60,684
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	1,814	790	1,759	2,100
Deferred revenue	1,051	723	804	547
Deferred capital allocations	0	0	16	505
Current portion of long term debt	976	657	395	839
	3,841	2,170	2,974	3,991
School generated funds	435	260	436	495
Trust liabilities	564	676	123	240
Employee future benefits liability	0	0	0	93
Long term debt	7,445	3,583	2,795	5,357
Unamortized capital allocations	7,809	14,631	13,520	45,880
Total liabilities	20,094	21,320	19,848	56,056
Net assets:				
Unrestricted net assets	903	136	827	0
Operating reserves	2,691	3,898	1,135	994
Accumulated operating surplus (deficit)	3,594	4,034	1,962	994
Investment in capital assets	3,570	3,287	5,881	2,486
Capital reserves	962	1,428	77	1,148
Total capital funds	4,532	4,715	5,958	3,634
Total Net Assets	8,126	8,749	7,920	4,628
	$ 28,220	$ 30,069	$ 27,768	$ 60,684

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Red Deer School Dist. #104	Rocky View School Div. #41	St. Albert PSSD #6	St. Paul Education Reg. Div. #1
Assets				
Current:				
Cash and temporary investments	$ 27,709	$ 16,017	$ 4,217	$ 8,463
Accounts receivable (net after allowances)	3,478	2,292	3,441	1,731
Prepaid expenses	224	93	148	293
Other current assets	271	75	0	0
	31,682	18,477	7,806	10,487
School generated assets	1,372	2,399	665	464
Trust assets	348	344	54	34
Long term accounts receivable	0	13	0	0
Capital assets	47,065	124,925	30,717	14,790
Total Assets	$ 80,467	$ 146,158	$ 39,242	$ 25,775
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 244	$ 0	$ 0
Accounts payable and accrued liabilities	4,588	7,553	2,984	1,767
Deferred revenue	1,228	2,283	1,112	600
Deferred capital allocations	22,139	-2,078	50	3,465
Current portion of long term debt	2,176	3,282	1,338	541
	30,131	11,284	5,484	6,373
School generated funds	1,372	2,399	665	464
Trust liabilities	348	344	54	34
Employee future benefits liability	0	0	0	92
Long term debt	16,237	20,685	10,623	3,828
Unamortized capital allocations	22,925	96,042	14,773	8,599
Total liabilities	71,013	130,754	31,599	19,390
Net assets:				
Unrestricted net assets	524	1,914	729	502
Operating reserves	3,112	6,779	2,689	3,958
Accumulated operating surplus (deficit)	3,636	8,693	3,418	4,460
Investment in capital assets	5,726	4,916	3,983	1,821
Capital reserves	92	1,795	242	104
Total capital funds	5,818	6,711	4,225	1,925
Total Net Assets	9,454	15,404	7,643	6,385
	$ 80,467	$ 146,158	$ 39,242	$ 25,775

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	St. Thomas Aquinas RCS Reg. Div. #38	Sturgeon School Div. #24	Suzuki Charter School Society	Westmount Charter School Society
Assets				
Current:				
Cash and temporary investments	$ 8,341	$ 3,526	$ 30	$ 1,512
Accounts receivable (net after allowances)	1,556	1,161	43	175
Prepaid expenses	125	496	2	78
Other current assets	114	0	0	0
	10,136	5,183	75	1,765
School generated assets	153	296	120	4
Trust assets	24	39	0	0
Long term accounts receivable	0	0	0	0
Capital assets	18,203	28,778	136	0
Total Assets	$ 28,516	$ 34,296	$ 331	$ 1,769
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	1,873	754	36	302
Deferred revenue	499	474	9	1,144
Deferred capital allocations	5,722	220	0	0
Current portion of long term debt	645	860	39	0
	8,739	2,308	84	1,446
School generated funds	153	296	120	4
Trust liabilities	24	39	0	0
Employee future benefits liability	0	0	0	0
Long term debt	5,202	3,546	0	0
Unamortized capital allocations	11,284	21,429	0	0
Total liabilities	25,402	27,618	204	1,450
Net assets:				
Unrestricted net assets	0	294	30	170
Operating reserves	2,042	3,098	0	149
Accumulated operating surplus (deficit)	2,042	3,392	30	319
Investment in capital assets	1,072	2,944	97	0
Capital reserves	0	342	0	0
Total capital funds	1,072	3,286	97	0
Total Net Assets	3,114	6,678	127	319
	$ 28,516	$ 34,296	$ 331	$ 1,769

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Westwind School Div. #74	Wetaskiwin Reg. Div. #11	Wild Rose School Div. #66	Wolf Creek School Div. # 72
Assets				
Current:				
Cash and temporary investments	$ 3,396	$ 9,288	$ 15,874	$ 30,191
Accounts receivable (net after allowances)	1,882	2,658	1,700	1,716
Prepaid expenses	44	215	248	439
Other current assets	0	238	123	7
	5,322	12,399	17,945	32,353
School generated assets	564	876	842	843
Trust assets	592	345	173	637
Long term accounts receivable	0	0	191	0
Capital assets	24,350	33,777	45,924	33,581
Total Assets	$ 30,828	$ 47,397	$ 65,075	$ 67,414
Liabilities and Net Assets				
Current:				
Bank indebtedness	$ 0	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	2,222	3,626	1,890	3,965
Deferred revenue	472	1,269	1,681	1,319
Deferred capital allocations	0	3,207	9,697	16,550
Current portion of long term debt	765	969	786	495
	3,459	9,071	14,054	22,329
School generated funds	564	876	842	843
Trust liabilities	592	345	173	637
Employee future benefits liability	115	0	0	0
Long term debt	6,075	7,808	6,216	4,045
Unamortized capital allocations	14,973	22,354	30,046	23,854
Total liabilities	25,778	40,454	51,331	51,708
Net assets:				
Unrestricted net assets	820	0	2,054	1,217
Operating reserves	1,053	3,728	1,686	6,567
Accumulated operating surplus (deficit)	1,873	3,728	3,740	7,784
Investment in capital assets	2,538	2,647	8,876	5,187
Capital reserves	639	568	1,128	2,735
Total capital funds	3,177	3,215	10,004	7,922
Total Net Assets	5,050	6,943	13,744	15,706
	$ 30,828	$ 47,397	$ 65,075	$ 67,414

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)	
	2003 Actual Totals	2002 Actual Totals (As restated)
Assets		
Current:		
Cash and temporary investments	$ 543,898	$ 831,801
Accounts receivable (net after allowances)	200,727	168,369
Prepaid expenses	23,479	24,896
Other current assets	34,254	34,779
	802,358	1,059,845
School generated assets	52,297	49,411
Trust assets	16,393	17,438
Long term accounts receivable	13,343	11,656
Capital assets	2,810,300	2,635,525
Total Assets	$ 3,694,691	$ 3,773,875
Liabilities and Net Assets		
Current:		
Bank indebtedness	$ 6,010	$ 7,669
Accounts payable and accrued liabilities	262,329	319,099
Deferred revenue	103,904	143,689
Deferred capital allocations	227,848	364,642
Current portion of long term debt	83,700	90,312
	683,791	925,411
School generated funds	52,297	49,411
Trust liabilities	16,393	17,438
Employee future benefits liability	16,668	11,758
Long term debt	505,221	585,753
Unamortized capital allocations	1,784,892	1,564,601
Total liabilities	3,059,262	3,154,372
Net assets:		
Unrestricted net assets	39,805	48,144
Operating reserves	128,158	128,904
Accumulated operating surplus (deficit)	167,963	177,048
Investment in capital assets	404,425	387,391
Capital reserves	63,041	55,064
Total capital funds	467,466	442,455
Total Net Assets	635,429	619,503
	$ 3,694,691	$ 3,773,875

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Almadina School Society	Aspen View Reg. Div. #19	Aurora School Ltd.	Battle River Reg. Div. #31
Revenue:				
Alberta Learning, including school property taxes*	$ 2,652	$ 25,729	$ 2,016	$ 48,828
Alberta Infrastructure	865	3,637	405	5,261
Other Government of Alberta	0	520	0	1,386
Federal government and/or First Nations	0	449	0	0
Other	0	0	0	1
Instruction fees	0	264	22	509
Transportation fees	25	0	33	13
Other sales and services	0	627	3	695
Interest on investments	6	205	56	427
Gifts and donations	0	14	0	25
Rentals of facilities	0	174	0	10
Net school generated funds	0	1,023	43	1,076
Gains on disposals of capital assets	0	0	0	15
Amortization of capital allocations	0	751	0	1,391
	3,548	33,393	2,578	59,637
Expense:				
Salaries, wages and benefits	1,945	21,157	1,613	43,893
Services, contracts and supplies	1,471	9,383	511	11,740
Net school generated funds	0	1,023	43	1,076
Amortization	0	1,093	28	3,353
Debt servicing	0	475	1	1,249
Losses on disposals of capital assets	0	0	0	0
	3,416	33,131	2,196	61,311
Surplus(Deficit) of revenues over expenses before the following:	132	262	382	(1,674)
Funding used for capital purposes	0	0	0	1,503
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ 132	$ 262	$ 382	$ (171)
Changes in Financial Position:				
Cash generated (used) by operations	$ 182	$ (1,697)	$ 450	$ (1,587)
Cash generated (used) by investing activities	0	(2,652)	(74)	(5,036)
Cash generated (used) by financing activities	0	607	0	539
Net sources (uses) of cash equivalents during year	182	(3,742)	376	(6,084)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	44	8,106	2,129	16,750
Amount at the end of the year	$ 226	$ 4,364	$ 2,505	$ 10,666

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Black Gold Reg. Div. #18	**Boyle Street Education Centre**	**Buffalo Trail Public Schools Reg. Div. # 28**	**CAPE-Centre for Academic and Personal Excellence Institute**
Revenue:				
Alberta Learning, including school property taxes*	$ 49,036	$ 1,221	$ 32,700	$ 850
Alberta Infrastructure	5,842	56	3,555	231
Other Government of Alberta	1,546	0	1,288	0
Federal government and/or First Nations	175	43	75	0
Other	66	0	0	0
Instruction fees	532	0	463	0
Transportation fees	82	0	36	0
Other sales and services	121	0	267	57
Interest on investments	265	8	243	33
Gifts and donations	6	20	54	18
Rentals of facilities	125	0	10	0
Net school generated funds	1,885	10	695	0
Gains on disposals of capital assets	44	0	0	0
Amortization of capital allocations	2,083	0	1,850	0
	61,808	1,358	41,236	1,189
Expense:				
Salaries, wages and benefits	45,109	972	26,938	796
Services, contracts and supplies	10,685	351	10,795	366
Net school generated funds	1,885	10	695	0
Amortization	2,490	0	2,391	3
Debt servicing	1,540	0	1,330	2
Losses on disposals of capital assets	1	0	0	0
	61,710	1,333	42,149	1,167
Surplus(Deficit) of revenues over expenses before the following:	98	25	(913)	22
Funding used for capital purposes	0	0	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ 98	$ 25	$ (913)	$ 22
Changes in Financial Position:				
Cash generated (used) by operations	$ 1,050	$ 3	$ (2,906)	$ 12
Cash generated (used) by investing activities	(6,078)	0	(5,169)	0
Cash generated (used) by financing activities	566	0	1,728	(15)
Net sources (uses) of cash equivalents during year	(4,462)	3	(6,347)	(3)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	19,192	304	12,226	9
Amount at the end of the year	$ 14,730	$ 307	$ 5,879	$ 6

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Calgary RCSSD #1	Calgary School Dist. #19	Calgary Science School Society	Canadian Rockies Reg. Div. #12
Revenue:				
Alberta Learning, including school property taxes*	$ 239,291	$ 566,571	$ 1,889	$ 13,989
Alberta Infrastructure	26,673	65,250	1,445	1,821
Other Government of Alberta	3,303	9,008	2	1,427
Federal government and/or First Nations	811	1,411	0	2,043
Other	0	2,450	0	0
Instruction fees	303	7,046	158	223
Transportation fees	0	2,623	92	0
Other sales and services	2,399	16,340	1	143
Interest on investments	874	2,032	3	18
Gifts and donations	11	762	2	0
Rentals of facilities	1,600	5,011	7	104
Net school generated funds	2,292	6,953	10	144
Gains on disposals of capital assets	1,768	7,113	0	7
Amortization of capital allocations	8,742	13,538	0	896
	288,067	706,108	3,609	20,815
Expense:				
Salaries, wages and benefits	225,596	546,791	1,159	15,108
Services, contracts and supplies	44,020	106,765	2,410	3,405
Net school generated funds	2,292	6,953	10	144
Amortization	11,455	20,178	0	1,131
Debt servicing	3,303	8,676	0	1,403
Losses on disposals of capital assets	0	0	0	0
	286,666	689,363	3,579	21,191
Surplus(Deficit) of revenues over expenses before the following:	1,401	16,745	30	(376)
Funding used for capital purposes	1,091	0	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ 2,492	$ 16,745	$ 30	$ (376)
Changes in Financial Position:				
Cash generated (used) by operations	$ (6,239)	$ 2,964	$ 273	$ (1,499)
Cash generated (used) by investing activities	(18,106)	(26,670)	0	(4,733)
Cash generated (used) by financing activities	1,885	8,604	0	1,064
Net sources (uses) of cash equivalents during year	(22,460)	(15,102)	273	(5,168)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	65,435	68,061	160	5,658
Amount at the end of the year	$ 42,975	$ 52,959	$ 433	$ 490

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Chinook's Edge School Div. #73	Christ the Redeemer CS Reg. Div. #3	Clearview School Div. #71	East Central Alberta CS Schools Reg. Div. #16
Revenue:				
Alberta Learning, including school property taxes*	$ 64,504	$ 27,349	$ 18,908	$ 16,629
Alberta Infrastructure	8,515	2,579	2,017	1,387
Other Government of Alberta	1,101	722	669	164
Federal government and/or First Nations	171	0	2	1
Other	245	18	9	0
Instruction fees	885	256	175	112
Transportation fees	4	0	13	11
Other sales and services	181	41	385	379
Interest on investments	363	48	163	41
Gifts and donations	63	25	73	0
Rentals of facilities	26	30	43	0
Net school generated funds	811	436	153	499
Gains on disposals of capital assets	24	0	0	0
Amortization of capital allocations	2,437	1,944	1,036	316
	79,330	33,448	23,646	19,539
Expense:				
Salaries, wages and benefits	61,379	23,496	17,671	13,115
Services, contracts and supplies	14,616	6,793	4,239	4,800
Net school generated funds	811	436	153	499
Amortization	3,633	2,647	1,606	376
Debt servicing	774	679	543	163
Losses on disposals of capital assets	0	0	10	0
	81,213	34,051	24,222	18,953
Surplus(Deficit) of revenues over expenses before the following:	(1,883)	(603)	(576)	586
Funding used for capital purposes	12	296	0	76
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (1,871)	$ (307)	$ (576)	$ 662
Changes in Financial Position:				
Cash generated (used) by operations	$ (1,094)	$ (1,722)	$ 1,456	$ (266)
Cash generated (used) by investing activities	(9,102)	(7,596)	(7,616)	(6,702)
Cash generated (used) by financing activities	951	2,701	182	5,109
Net sources (uses) of cash equivalents during year	(9,245)	(6,617)	(5,978)	(1,859)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	19,677	7,912	13,808	2,781
Amount at the end of the year	$ 10,432	$ 1,295	$ 7,830	$ 922

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	East Central Francophone Educ.Region #3	Edmonton CSSD #7	Edmonton School Dist. #7	Elk Island CS Reg. Div. #41
Revenue:				
Alberta Learning, including school property taxes*	$ 4,350	$ 176,617	$ 457,950	$ 33,020
Alberta Infrastructure	720	20,293	52,688	3,817
Other Government of Alberta	20	1,540	7,305	1,333
Federal government and/or First Nations	18	641	2,059	81
Other	11	216	2,081	0
Instruction fees	24	6,298	1,753	303
Transportation fees	3	2,062	4,647	80
Other sales and services	0	3,680	18,799	762
Interest on investments	20	1,118	1,537	102
Gifts and donations	0	8	3,736	22
Rentals of facilities	0	2,086	1,844	53
Net school generated funds	45	3,376	4,137	153
Gains on disposals of capital assets	0	0	3,327	0
Amortization of capital allocations	272	4,075	12,432	1,698
	5,483	222,010	574,295	41,424
Expense:				
Salaries, wages and benefits	4,174	167,694	452,783	31,949
Services, contracts and supplies	1,712	46,546	91,227	5,668
Net school generated funds	44	3,376	4,137	153
Amortization	285	5,253	26,169	2,050
Debt servicing	9	1,541	5,257	1,140
Losses on disposals of capital assets	0	33	0	0
	6,224	224,443	579,573	40,960
Surplus(Deficit) of revenues over expenses before the following:	(741)	(2,433)	(5,278)	464
Funding used for capital purposes	0	0	6,587	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (741)	$ (2,433)	$ 1,309	$ 464
Changes in Financial Position:				
Cash generated (used) by operations	$ (2,431)	$ (5,933)	$ (6,484)	$ 1,067
Cash generated (used) by investing activities	(890)	(26,433)	(27,751)	(3,196)
Cash generated (used) by financing activities	558	5,531	2,504	7,226
Net sources (uses) of cash equivalents during year	(2,763)	(26,835)	(31,731)	5,097
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	7,705	45,913	59,327	3,690
Amount at the end of the year	$ 4,942	$ 19,078	$ 27,596	$ 8,787

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* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Elk Island Public Schools Reg. Div. #14	Evergreen CS Reg. Div. #2	FFCA Charter School Society	Foothills School Div. #38
Revenue:				
Alberta Learning, including school property taxes*	$ 94,217	$ 11,432	$ 6,915	$ 40,205
Alberta Infrastructure	11,450	1,541	2,248	4,923
Other Government of Alberta	1,360	629	0	1,088
Federal government and/or First Nations	1	33	0	184
Other	192	0	0	48
Instruction fees	691	131	168	581
Transportation fees	143	0	283	13
Other sales and services	3,130	61	10	267
Interest on investments	369	72	8	85
Gifts and donations	92	0	13	0
Rentals of facilities	152	0	0	43
Net school generated funds	691	160	57	551
Gains on disposals of capital assets	0	4	0	18
Amortization of capital allocations	2,220	672	0	1,983
	114,708	14,735	9,702	49,989
Expense:				
Salaries, wages and benefits	87,541	11,084	5,156	36,338
Services, contracts and supplies	25,282	2,068	4,313	8,451
Net school generated funds	691	160	57	551
Amortization	3,047	894	9	3,535
Debt servicing	1,272	619	0	1,002
Losses on disposals of capital assets	0	0	0	0
	117,833	14,825	9,535	49,877
Surplus(Deficit) of revenues over expenses before the following:	(3,125)	(90)	167	112
Funding used for capital purposes	0	0	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (3,125)	$ (90)	$ 167	$ 112
Changes in Financial Position:				
Cash generated (used) by operations	$ (1,601)	$ 823	$ 980	$ (157)
Cash generated (used) by investing activities	(5,007)	(7,525)	0	(4,781)
Cash generated (used) by financing activities	9,743	1,748	0	770
Net sources (uses) of cash equivalents during year	3,135	(4,954)	980	(4,168)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	11,625	13,258	151	11,903
Amount at the end of the year	$ 14,760	$ 8,304	$ 1,131	$ 7,735

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)			
	Fort McMurray RCSSD #32	Fort McMurray School Dist. #2833	Fort Vermilion School Div. # 52	Golden Hills School Div. #75
Revenue:				
Alberta Learning, including school property taxes*	$ 25,368	$ 30,989	$ 24,342	$ 38,697
Alberta Infrastructure	2,576	4,032	3,647	4,222
Other Government of Alberta	705	511	1,025	829
Federal government and/or First Nations	205	205	3,217	1,642
Other	0	0	141	59
Instruction fees	167	192	51	531
Transportation fees	109	170	0	0
Other sales and services	10	1	238	412
Interest on investments	282	109	37	98
Gifts and donations	112	168	17	1
Rentals of facilities	50	80	306	73
Net school generated funds	87	755	221	2,285
Gains on disposals of capital assets	0	0	5	0
Amortization of capital allocations	1,004	1,451	2,310	2,076
	30,675	38,663	35,557	50,925
Expense:				
Salaries, wages and benefits	23,725	27,980	24,230	37,414
Services, contracts and supplies	5,480	7,780	7,874	8,008
Net school generated funds	88	755	221	2,285
Amortization	1,738	1,573	3,409	2,519
Debt servicing	700	443	877	693
Losses on disposals of capital assets	0	0	0	0
	31,731	38,531	36,611	50,919
Surplus(Deficit) of revenues over expenses before the following:	(1,056)	132	(1,054)	6
Funding used for capital purposes	0	0	0	766
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (1,056)	$ 132	$ (1,054)	$ 772
Changes in Financial Position:				
Cash generated (used) by operations	$ (1,279)	$ 947	$ (2,923)	$ (1,018)
Cash generated (used) by investing activities	(1,447)	(5,379)	(3,273)	(5,294)
Cash generated (used) by financing activities	488	7,322	1,373	1,312
Net sources (uses) of cash equivalents during year	(2,238)	2,890	(4,823)	(5,000)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	8,858	7,449	4,602	5,634
Amount at the end of the year	$ 6,620	$ 10,339	$ (221)	$ 634

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Grande Prairie RCSSD #28	Grande Prairie School Dist. #2357	Grande Yellowhead Reg. Div. #35	Grasslands Reg. Div. #6
Revenue:				
Alberta Learning, including school property taxes*	$ 18,088	$ 33,275	$ 36,021	$ 23,435
Alberta Infrastructure	2,449	4,389	5,014	3,039
Other Government of Alberta	955	1,641	1,312	784
Federal government and/or First Nations	16	208	14	673
Other	4	467	124	2
Instruction fees	117	376	387	276
Transportation fees	1	0	23	0
Other sales and services	43	447	309	120
Interest on investments	61	31	263	151
Gifts and donations	0	145	29	15
Rentals of facilities	32	84	19	82
Net school generated funds	10	493	390	234
Gains on disposals of capital assets	0	0	53	0
Amortization of capital allocations	1,277	2,073	1,405	809
	23,053	43,629	45,363	29,620
Expense:				
Salaries, wages and benefits	16,716	32,597	31,870	22,574
Services, contracts and supplies	4,182	6,898	9,555	5,141
Net school generated funds	10	493	390	234
Amortization	1,335	2,224	2,316	1,167
Debt servicing	858	1,405	1,199	740
Losses on disposals of capital assets	0	0	0	0
	23,101	43,617	45,330	29,856
Surplus(Deficit) of revenues over expenses before the following:	(48)	12	33	(236)
Funding used for capital purposes	56	0	0	0
Extraordinary item	0	0	(205)	0
Surplus(Deficit) of revenue over expense	$ 8	$ 12	$ (172)	$ (236)
Changes in Financial Position:				
Cash generated (used) by operations	$ (77)	$ (559)	$ (5,435)	$ (1,730)
Cash generated (used) by investing activities	(808)	(2,864)	(1,463)	(1,739)
Cash generated (used) by financing activities	87	2,353	6,349	20
Net sources (uses) of cash equivalents during year	(798)	(1,070)	(549)	(3,449)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	2,232	546	8,492	8,636
Amount at the end of the year	$ 1,434	$ (524)	$ 7,943	$ 5,187

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
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(in thousands)

	Greater North Central Francophone Educ. Reg. #2	Greater Southern Public Francophone Educ. Reg. #4	Greater Southern Sep. Catholic Francophone Educ. Reg. #4	Greater St. Albert Catholic Reg. Div. #29
Revenue:				
Alberta Learning, including school property taxes*	$ 13,749	$ 3,993	$ 4,564	$ 40,144
Alberta Infrastructure	1,698	612	348	4,931
Other Government of Alberta	77	1	0	3,739
Federal government and/or First Nations	237	10	3	205
Other	127	0	1	35
Instruction fees	242	31	2	1,075
Transportation fees	0	0	7	248
Other sales and services	37	3	3	428
Interest on investments	124	31	19	90
Gifts and donations	1	0	0	0
Rentals of facilities	50	14	0	5
Net school generated funds	197	40	0	401
Gains on disposals of capital assets	0	0	0	512
Amortization of capital allocations	1,118	0	216	1,384
	17,657	4,735	5,163	53,197
Expense:				
Salaries, wages and benefits	10,541	2,888	3,036	37,820
Services, contracts and supplies	5,884	1,630	1,547	11,907
Net school generated funds	197	40	0	401
Amortization	1,260	3	220	1,961
Debt servicing	21	1	0	1,537
Losses on disposals of capital assets	0	0	0	0
	17,903	4,562	4,803	53,626
Surplus(Deficit) of revenues over expenses before the following:	(246)	173	360	(429)
Funding used for capital purposes	0	0	0	588
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (246)	$ 173	$ 360	$ 159
Changes in Financial Position:				
Cash generated (used) by operations	$ 953	$ (603)	$ 102	$ 1,519
Cash generated (used) by investing activities	(3,131)	(976)	(56)	(798)
Cash generated (used) by financing activities	935	210	7	(162)
Net sources (uses) of cash equivalents during year	(1,243)	(1,369)	53	(2,479)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	6,188	1,753	996	3,597
Amount at the end of the year	$ 4,945	$ 384	$ 1,049	$ 1,118

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	High Prairie School Div. #48	Holy Family Catholic Reg. Div. #37	Holy Spirit RCS Reg. Div. #4	Horizon School Div. #67
Revenue:				
Alberta Learning, including school property taxes*	$ 24,841	$ 14,294	$ 25,832	$ 23,805
Alberta Infrastructure	2,828	1,681	4,118	2,840
Other Government of Alberta	359	798	474	191
Federal government and/or First Nations	1,937	1,549	1,293	0
Other	221	37	1	0
Instruction fees	215	96	167	251
Transportation fees	150	0	0	13
Other sales and services	166	88	107	62
Interest on investments	191	161	109	261
Gifts and donations	0	45	5	129
Rentals of facilities	18	24	15	12
Net school generated funds	253	446	559	985
Gains on disposals of capital assets	11	2	0	17
Amortization of capital allocations	595	967	1,019	417
	31,785	20,188	33,699	28,983
Expense:				
Salaries, wages and benefits	22,562	14,025	25,300	20,408
Services, contracts and supplies	6,348	3,810	6,332	6,702
Net school generated funds	253	446	559	985
Amortization	1,139	1,258	1,118	689
Debt servicing	369	722	474	149
Losses on disposals of capital assets	24	0	37	46
	30,695	20,261	33,820	28,979
Surplus(Deficit) of revenues over expenses before the following:	1,090	(73)	(121)	4
Funding used for capital purposes	0	0	129	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ 1,090	$ (73)	$ 8	$ 4
Changes in Financial Position:				
Cash generated (used) by operations	$ (1,384)	$ 1,004	$ (2,846)	$ (210)
Cash generated (used) by investing activities	(5,661)	(247)	(12,566)	(1,608)
Cash generated (used) by financing activities	1,358	88	1,122	591
Net sources (uses) of cash equivalents during year	(5,687)	845	(14,290)	(1,227)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	11,376	4,059	20,338	9,128
Amount at the end of the year	$ 5,689	$ 4,904	$ 6,048	$ 7,901

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Lakeland RCSSD #150	Lethbridge School Dist. #51	Living Waters Catholic Reg. Div.#42	Livingstone Range School Div. #68
Revenue:				
Alberta Learning, including school property taxes*	$ 12,546	$ 46,710	$ 13,484	$ 28,054
Alberta Infrastructure	1,562	5,813	1,458	3,298
Other Government of Alberta	360	1,653	540	437
Federal government and/or First Nations	555	418	17	2,209
Other	1	0	7	0
Instruction fees	54	410	15	211
Transportation fees	0	0	10	0
Other sales and services	13	508	2	705
Interest on investments	138	280	104	62
Gifts and donations	41	0	12	25
Rentals of facilities	0	20	31	51
Net school generated funds	435	1,026	350	880
Gains on disposals of capital assets	0	0	0	11
Amortization of capital allocations	645	918	1,749	1,582
	16,350	57,756	17,779	37,525
Expense:				
Salaries, wages and benefits	12,210	46,523	12,112	28,209
Services, contracts and supplies	2,900	8,827	3,063	6,947
Net school generated funds	435	1,026	350	880
Amortization	800	1,055	673	1,837
Debt servicing	336	1,166	543	439
Losses on disposals of capital assets	0	6	1,116	184
	16,681	58,603	17,857	38,496
Surplus(Deficit) of revenues over expenses before the following:	(331)	(847)	(78)	(971)
Funding used for capital purposes	0	252	0	384
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (331)	$ (595)	$ (78)	$ (587)
Changes in Financial Position:				
Cash generated (used) by operations	$ 53	$ (3,392)	$ 237	$ (2,781)
Cash generated (used) by investing activities	(298)	(13,018)	(3,545)	(9,540)
Cash generated (used) by financing activities	178	6,266	153	728
Net sources (uses) of cash equivalents during year	(67)	(10,144)	(3,155)	(11,593)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	4,318	18,914	8,934	17,063
Amount at the end of the year	$ 4,251	$ 8,770	$ 5,779	$ 5,470

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
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(in thousands)

	Medicine Hat CS Reg. Div. #20	Medicine Hat School Dist. #76	Moberly Hall School Society	New Horizons Charter School Society
Revenue:				
Alberta Learning, including school property taxes*	$ 15,481	$ 36,066	$ 528	$ 719
Alberta Infrastructure	2,007	5,111	83	141
Other Government of Alberta	198	804	0	0
Federal government and/or First Nations	0	26	0	0
Other	95	220	0	0
Instruction fees	139	412	5	15
Transportation fees	0	0	13	0
Other sales and services	192	828	1	0
Interest on investments	35	163	1	5
Gifts and donations	8	205	0	0
Rentals of facilities	204	92	6	6
Net school generated funds	710	1,749	0	4
Gains on disposals of capital assets	0	0	0	0
Amortization of capital allocations	442	1,080	0	0
	19,511	46,756	637	890
Expense:				
Salaries, wages and benefits	14,995	35,943	447	517
Services, contracts and supplies	3,368	7,159	155	300
Net school generated funds	710	1,748	0	4
Amortization	454	1,335	1	7
Debt servicing	201	743	0	0
Losses on disposals of capital assets	0	0	0	0
	19,728	46,928	603	828
Surplus(Deficit) of revenues over expenses before the following:	(217)	(172)	34	62
Funding used for capital purposes	0	61	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (217)	$ (111)	$ 34	$ 62
Changes in Financial Position:				
Cash generated (used) by operations	$ (750)	$ (1,380)	$ 65	$ 98
Cash generated (used) by investing activities	(1,081)	(2,744)	0	0
Cash generated (used) by financing activities	55	1,006	0	0
Net sources (uses) of cash equivalents during year	(1,776)	(3,118)	65	98
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	6,444	8,009	192	147
Amount at the end of the year	$ 4,668	$ 4,891	$ 257	$ 245

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Northern Gateway Reg. Div. #10	Northern Lights School Div. #69	Northland School Div. #61	Northwest Francophone Educ.Region #1
Revenue:				
Alberta Learning, including school property taxes*	$ 35,969	$ 42,339	$ 24,822	$ 2,751
Alberta Infrastructure	4,859	4,695	2,776	795
Other Government of Alberta	1,074	1,465	1,935	0
Federal government and/or First Nations	1,133	1,759	15,874	50
Other	15	75	0	0
Instruction fees	234	28	0	13
Transportation fees	23	120	0	0
Other sales and services	71	456	115	16
Interest on investments	112	218	193	20
Gifts and donations	76	65	51	1
Rentals of facilities	145	25	707	0
Net school generated funds	916	629	560	6
Gains on disposals of capital assets	0	12	37	1
Amortization of capital allocations	1,483	1,444	2,366	150
	46,110	53,330	49,436	3,803
Expense:				
Salaries, wages and benefits	31,234	34,319	31,286	2,433
Services, contracts and supplies	11,035	13,273	12,343	1,566
Net school generated funds	916	629	560	6
Amortization	2,425	2,032	3,314	192
Debt servicing	1,057	1,268	1,742	2
Losses on disposals of capital assets	9	0	14	4
	46,676	51,521	49,259	4,203
Surplus(Deficit) of revenues over expenses before the following:	(566)	1,809	177	(400)
Funding used for capital purposes	0	0	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (566)	$ 1,809	$ 177	$ (400)
Changes in Financial Position:				
Cash generated (used) by operations	$(1,107)	$ 992	$ (4,114)	$ (942)
Cash generated (used) by investing activities	(2,467)	(2,780)	(2,687)	(662)
Cash generated (used) by financing activities	1,943	311	861	44
Net sources (uses) of cash equivalents during year	(1,631)	(1,477)	(5,940)	(1,560)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	2,965	16,040	11,184	1,929
Amount at the end of the year	$ 1,334	$ 14,563	$ 5,244	$ 369

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Palliser Reg. Div. #26	Parkland School Div. #70	Peace River School Div. #10	Peace Wapiti Reg. Div. #33
Revenue:				
Alberta Learning, including school property taxes*	$ 26,130	$ 57,414	$ 25,441	$ 38,748
Alberta Infrastructure	3,029	6,411	2,981	4,749
Other Government of Alberta	595	1,290	1,258	1,450
Federal government and/or First Nations	573	1,453	216	824
Other	20	102	0	485
Instruction fees	247	633	296	422
Transportation fees	27	111	28	0
Other sales and services	328	511	329	466
Interest on investments	158	292	166	599
Gifts and donations	6	0	80	157
Rentals of facilities	354	3	72	84
Net school generated funds	287	619	281	1,011
Gains on disposals of capital assets	30	1	6	77
Amortization of capital allocations	1,182	2,588	1,623	1,398
	32,966	71,428	32,777	50,470
Expense:				
Salaries, wages and benefits	24,669	49,040	22,608	34,699
Services, contracts and supplies	6,496	15,152	7,266	9,906
Net school generated funds	287	620	281	1,011
Amortization	1,818	2,994	2,128	2,573
Debt servicing	567	1,160	1,055	1,338
Losses on disposals of capital assets	0	0	39	0
	33,837	68,966	33,377	49,527
Surplus(Deficit) of revenues over expenses before the following:	(871)	2,462	(600)	943
Funding used for capital purposes	0	0	179	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (871)	$ 2,462	$ (421)	$ 943
Changes in Financial Position:				
Cash generated (used) by operations	$ 404	$ (1,048)	$ (5,405)	$ (889)
Cash generated (used) by investing activities	(1,820)	(621)	(4,901)	(6,835)
Cash generated (used) by financing activities	293	281	4,110	4,434
Net sources (uses) of cash equivalents during year	(1,123)	(1,388)	(6,196)	(3,290)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	3,299	10,461	10,352	13,027
Amount at the end of the year	$ 2,176	$ 9,073	$ 4,156	$ 9,737

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* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Pembina Hills Reg. Div. #7	Prairie Land Reg. Div. #25	Prairie Rose Reg. Div. #8	Red Deer Catholic Reg. Div. #39
Revenue:				
Alberta Learning, including school property taxes*	$ 33,265	$ 15,155	$ 29,115	$ 31,146
Alberta Infrastructure	3,310	1,330	2,737	3,809
Other Government of Alberta	1,527	429	322	668
Federal government and/or First Nations	72	7	181	106
Other	30	167	186	97
Instruction fees	362	156	229	359
Transportation fees	100	0	20	12
Other sales and services	873	100	52	309
Interest on investments	504	229	108	91
Gifts and donations	4	24	82	0
Rentals of facilities	48	107	128	11
Net school generated funds	809	329	254	143
Gains on disposals of capital assets	12	83	43	0
Amortization of capital allocations	890	764	842	1,897
	41,806	18,880	34,299	38,648
Expense:				
Salaries, wages and benefits	28,615	14,449	23,472	27,299
Services, contracts and supplies	9,979	3,288	8,765	7,966
Net school generated funds	809	329	254	144
Amortization	1,310	1,306	1,156	2,200
Debt servicing	1,521	414	320	689
Losses on disposals of capital assets	4	22	0	0
	42,238	19,808	33,967	38,298
Surplus(Deficit) of revenues over expenses before the following:	(432)	(928)	332	350
Funding used for capital purposes	0	55	489	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (432)	$ (873)	$ 821	$ 350
Changes in Financial Position:				
Cash generated (used) by operations	$ (1,596)	$ (474)	$ 892	$ (201)
Cash generated (used) by investing activities	(793)	(213)	(674)	(8,390)
Cash generated (used) by financing activities	110	0	(22)	1,681
Net sources (uses) of cash equivalents during year	(2,279)	(687)	196	(6,910)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	7,774	6,982	3,275	8,432
Amount at the end of the year	$ 5,495	$ 6,295	$ 3,471	$ 1,522

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Red Deer School Dist. #104	Rocky View School Div. #41	St. Albert PSSD #6	St. Paul Education Reg. Div. #1
Revenue:				
Alberta Learning, including school property taxes*	$ 54,368	$ 86,440	$ 35,621	$ 22,238
Alberta Infrastructure	6,376	9,532	4,134	3,116
Other Government of Alberta	2,293	2,800	1,719	532
Federal government and/or First Nations	3	567	89	8,190
Other	152	494	128	12
Instruction fees	1,031	1,723	503	217
Transportation fees	294	588	281	38
Other sales and services	1,066	704	665	198
Interest on investments	257	525	178	197
Gifts and donations	74	0	10	62
Rentals of facilities	70	438	138	65
Net school generated funds	154	764	95	283
Gains on disposals of capital assets	0	3	0	0
Amortization of capital allocations	2,380	3,621	1,507	732
	68,518	108,199	45,068	35,880
Expense:				
Salaries, wages and benefits	52,179	74,101	34,034	26,690
Services, contracts and supplies	11,951	24,703	7,384	6,605
Net school generated funds	154	764	94	283
Amortization	3,075	4,245	2,015	1,154
Debt servicing	1,838	2,766	1,264	492
Losses on disposals of capital assets	0	0	0	4
	69,197	106,579	44,791	35,228
Surplus(Deficit) of revenues over expenses before the following:	(679)	1,620	277	652
Funding used for capital purposes	0	0	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (679)	$ 1,620	$ 277	$ 652
Changes in Financial Position:				
Cash generated (used) by operations	$ 1,578	$ (2,675)	$ (1,812)	$ (205)
Cash generated (used) by investing activities	(6,740)	(9,046)	(1,958)	(945)
Cash generated (used) by financing activities	3,067	1,338	379	197
Net sources (uses) of cash equivalents during year	(2,095)	(10,383)	(3,391)	(953)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	29,804	26,156	7,608	9,416
Amount at the end of the year	$ 27,709	$ 15,773	$ 4,217	$ 8,463

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	St. Thomas Aquinas RCS Reg. Div. #38	Sturgeon School Div. #24	Suzuki Charter School Society	Westmount Charter School Society
Revenue:				
Alberta Learning, including school property taxes*	$ 12,265	$ 31,623	$ 652	$ 4,211
Alberta Infrastructure	1,717	3,371	204	1,066
Other Government of Alberta	670	740	0	0
Federal government and/or First Nations	1,067	355	0	0
Other	48	0	0	68
Instruction fees	137	274	9	113
Transportation fees	16	0	0	70
Other sales and services	25	430	26	52
Interest on investments	66	148	0	3
Gifts and donations	(1)	17	1	178
Rentals of facilities	5	0	40	3
Net school generated funds	419	53	13	75
Gains on disposals of capital assets	4	5	0	0
Amortization of capital allocations	681	1,216	0	0
	17,119	38,232	945	5,839
Expense:				
Salaries, wages and benefits	11,793	28,193	620	3,718
Services, contracts and supplies	2,914	7,820	281	2,059
Net school generated funds	420	53	13	74
Amortization	785	1,466	20	0
Debt servicing	628	505	19	3
Losses on disposals of capital assets	0	0	0	0
	16,540	38,037	953	5,854
Surplus(Deficit) of revenues over expenses before the following:	579	195	(8)	(15)
Funding used for capital purposes	0	0	0	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ 579	$ 195	$ (8)	$ (15)
Changes in Financial Position:				
Cash generated (used) by operations	$ 260	$ (2,058)	$ 8	$ 869
Cash generated (used) by investing activities	(2,970)	(2,998)	0	0
Cash generated (used) by financing activities	6,755	561	(12)	0
Net sources (uses) of cash equivalents during year	4,045	(4,495)	(4)	869
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	4,296	8,021	34	643
Amount at the end of the year	$ 8,341	$ 3,526	$ 30	$ 1,512

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	Westwind School Div. #74	Wetaskiwin Reg. Div. #11	Wild Rose School Div. #66	Wolf Creek School Div. # 72
Revenue:				
Alberta Learning, including school property taxes*	$ 23,413	$ 29,917	$ 34,164	$ 48,282
Alberta Infrastructure	3,275	3,723	4,259	5,740
Other Government of Alberta	823	1,114	791	794
Federal government and/or First Nations	3,735	2,131	79	1,526
Other	322	0	8	277
Instruction fees	323	389	35	711
Transportation fees	0	6	0	102
Other sales and services	215	266	158	524
Interest on investments	214	196	256	439
Gifts and donations	16	0	232	29
Rentals of facilities	0	8	18	15
Net school generated funds	649	571	1,147	221
Gains on disposals of capital assets	20	68	42	10
Amortization of capital allocations	796	1,525	1,803	1,645
	33,801	39,914	42,992	60,315
Expense:				
Salaries, wages and benefits	26,130	28,345	30,845	46,631
Services, contracts and supplies	5,664	7,689	7,980	10,851
Net school generated funds	649	571	1,147	221
Amortization	1,052	1,386	2,815	2,355
Debt servicing	793	953	735	500
Losses on disposals of capital assets	0	293	0	0
	34,288	39,237	43,522	60,558
Surplus(Deficit) of revenues over expenses before the following:	(487)	677	(530)	(243)
Funding used for capital purposes	0	0	155	0
Extraordinary item	0	0	0	0
Surplus(Deficit) of revenue over expense	$ (487)	$ 677	$ (375)	$ (243)
Changes in Financial Position:				
Cash generated (used) by operations	$ (1,411)	$ (49)	$ (1,676)	$ 680
Cash generated (used) by investing activities	(3,541)	(7,735)	(3,690)	(4,977)
Cash generated (used) by financing activities	716	394	613	720
Net sources (uses) of cash equivalents during year	(4,236)	(7,390)	(4,753)	(3,577)
Cash equivalents, net of bank indebtedness:				
Amount at the beginning of the year	7,632	16,678	20,627	33,768
Amount at the end of the year	$ 3,396	$ 9,288	$ 15,874	$ 30,191

* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

SUMMARY OF SCHOOL JURISDICTIONS
STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2003

(in thousands)

	2003 Actual Totals	2003 Budget Totals	2002 Actual Totals (As restated)
Revenue:			
Alberta Learning, including school property taxes*	$ 3,217,382	$ 3,144,010	$ 3,168,290
Alberta Infrastructure	383,110	360,270	184,341
Other Government of Alberta	76,093	72,115	87,414
Federal government and/or First Nations	62,827	57,233	59,119
Other	9,565	7,129	9,276
Instruction fees	34,778	26,057	31,226
Transportation fees	12,743	13,190	12,518
Other sales and services	61,026	39,064	67,745
Interest on investments	16,071	10,557	16,352
Gifts and donations	7,066	3,996	6,058
Rentals of facilities	15,076	11,003	12,061
Net school generated funds	47,998	43,609	45,207
Gains on disposals of capital assets	13,385	124	5,577
Amortization of capital allocations	115,406	111,430	111,518
	4,072,526	3,899,787	3,816,702
Expense:			
Salaries, wages and benefits	3,035,501	2,897,157	2,800,525
Services, contracts and supplies	752,350	753,126	720,464
Net school generated funds	47,998	43,609	45,207
Amortization	165,533	160,142	162,839
Debt servicing	66,223	70,610	75,570
Losses on disposals of capital assets	1,846	0	1,075
	4,069,451	3,924,644	3,805,680
Surplus(Deficit) of revenues over expenses before the following:	3,075	(24,857)	11,022
Funding used for capital purposes	12,679	3,620	15,411
Extraordinary item	(205)	0	14
Surplus(Deficit) of revenue over expense	$ 15,549	$ (21,237)	$ 26,447
Changes in Financial Position:			
Cash generated (used) by operations	$ (68,762)		$ 85,851
Cash generated (used) by investing activities	(330,096)		(314,395)
Cash generated (used) by financing activities	112,614		377,204
Net sources (uses) of cash equivalents during year	(286,244)		148,660
Cash equivalents, net of bank indebtedness:			
Amount at the beginning of the year	824,132		675,472
Amount at the end of the year	$ 537,888		$ 824,132

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* Includes education property taxes directly requisitioned by opted out school boards from their municipalities.

Disclosure of Salaries and Benefits for Superintendent Positions
For the Year Ended August 31, 2003

School Authority	Remuneration	Benefits & Allowances	Other	Total
Aspen View Regional Division No. 19	$113,171	$9,548	$0	$122,719
Battle River Regional Division No. 31	$120,576	$11,304	$0	$131,880
Black Gold Regional Division No. 18	$123,000	$8,442	$0	$131,442
Buffalo Trail Public Schools Regional Division No. 28	$102,831	$10,090	$0	$112,921
Calgary Roman Catholic Separate School District No. 1	$141,757	$29,120	$0	$170,877
Calgary School District No. 19	$176,605	$19,962	$0	$196,567
Canadian Rockies Regional Division No. 12	$127,629	$21,733	$0	$149,362
Chinook's Edge School Division No. 73	$130,896	$8,330	$0	$139,226
Christ the Redeemer Catholic Separate Regional Division No. 3	$112,712	$9,507	$0	$122,219
Clearview School Division No. 71	$107,636	$10,940	$0	$118,576
East Central Alberta Catholic Separate Schools Regional Division No. 16	$123,284	$8,540	$0	$131,824
East Central Francophone Education Region No. 3	$85,000	$8,569	$0	$93,569
Edmonton Catholic Separate School District No. 7	$154,618	$5,481	$0	$160,099
Edmonton School District No. 7	$148,193	$8,248	$0	$156,441
Elk Island Catholic Separate Regional Division No. 41	$120,420	$7,887	$0	$128,307
Elk Island Public Schools Regional Division No. 14	$147,045	$14,887	$0	$161,932
Evergreen Catholic Separate Regional Division No. 2	$107,856	$8,170	$0	$116,026
Foothills School Division No. 38	$122,381	$8,457	$0	$130,838
Fort McMurray Roman Catholic Separate School District No. 32	$119,700	$5,878	$3,447	$129,025
Fort McMurray School District No. 2833	$116,480	$8,214	$0	$124,694
Fort Vermilion School Division No. 52	$125,489	$11,595	$0	$137,084
Golden Hills School Division No. 75	$136,605	$9,670	$60,319	$206,594*
Grande Prairie Roman Catholic Separate School District No. 28	$121,454	$11,765	$18,218	$151,437*
Grande Prairie School District No. 2357	$113,968	$9,837	$0	$123,805
Grande Yellowhead Regional Division No. 35	$159,876	$9,532	$280,003	$449,411*
Grasslands Regional Division No. 6	$115,450	$20,319	$70,578	$206,347*
Greater North Central Francophone Education Region No. 2	$117,314	$24,327	$0	$141,641
Greater Southern Public Francophone Education Region No. 4	$102,000	$10,937	$0	$112,937
Greater Southern Separate Catholic Francophone Education Region No. 4	$121,024	$9,261	$2,000	$132,285
Greater St. Albert Catholic Regional Division No. 29	$119,000	$12,646	$0	$131,646
High Prairie School Division No. 48	$116,412	$9,891	$0	$126,303
Holy Family Catholic Regional Division No. 37	$114,200	$9,806	$0	$124,006
Holy Spirit Roman Catholic Separate Regional Division No. 4	$116,892	$13,786	$0	$130,678
Horizon School Division No. 67	$125,000	$7,045	$0	$132,045
Lakeland Roman Catholic Separate School Division No. 150	$109,960	$7,806	$0	$117,766
Lethbridge School District No. 51	$136,712	$12,339	$0	$149,051
Living Waters Catholic Regional Division No. 42	$112,115	$9,853	$0	$121,968
Livingstone Range School Division No. 68	$117,623	$14,960	$5,500	$138,083
Medicine Hat Catholic Separate Regional Division No. 20	$117,701	$9,014	$0	$126,715
Medicine Hat School District No. 76	$130,635	$10,015	$0	$140,650
Northern Gateway Regional Division No. 10	$112,460	$8,479	$0	$120,939

* Included in superintendent's total is a retiring allowance paid during the year.

Disclosure of Salaries and Benefits for Superintendent Positions
For the Year Ended August 31, 2003

School Authority	Remuneration	Benefits & Allowances	Other	**Total**
Northern Lights School Division No. 69	$123,825	$15,095	$0	$138,920
Northland School Division No. 61	$106,080	$22,923	$0	$129,003
Northwest Francophone Education Region No. 1	$107,987	$9,616	$0	$117,603
Palliser Regional Division No. 26	$113,133	$8,287	$0	$121,420
Parkland School Division No. 70	$126,538	$9,302	$0	$135,840
Peace River School Division No. 10	$121,004	$8,913	$0	$129,917
Peace Wapiti Regional Division No. 33	$117,000	$9,245	$0	$126,245
Pembina Hills Regional Division No. 7	$115,365	$51,382	$0	$166,747
Prairie Land Regional Division No. 25	$107,217	$5,710	$0	$112,927
Prairie Rose Regional Division No. 8	$112,040	$5,808	$0	$117,848
Red Deer Catholic Regional Division No. 39	$126,317	$9,516	$0	$135,833
Red Deer School District No. 104	$115,613	$8,566	$0	$124,179
Rocky View School Division No. 41	$139,285	$15,827	$0	$155,112
St. Albert Protestant Separate School District No. 6	$116,000	$8,290	$0	$124,290
St. Paul Education Regional Division No. 1	$109,014	$8,265	$0	$117,279
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	$111,000	$9,678	$0	$120,678
Sturgeon School Division No. 24	$113,600	$6,755	$0	$120,355
Westwind School Division No. 74	$115,000	$7,792	$50,000	$172,792*
Wetaskiwin Regional Division No. 11	$103,396	$9,007	$0	$112,403
Wild Rose School Division No. 66	$123,500	$8,714	$0	$132,214
Wolf Creek School Division No. 72	$139,297	$9,654	$0	$148,951

* Included in superintendent's total is a retiring allowance paid during the year.

Footnotes:

1. This information is taken from the Audited Financial Statements submitted to Alberta Learning by the School Authority.
2. *Remuneration* includes regular base salaries, administrative allowances, overtime, lump sum payments, honoraria, deferred salary leave accruals and any other direct cash remuneration.
3. *Benefits* include the employer's share of all employee benefits and contributions or payments made on behalf of employees. This includes retirement pension, Canada Pension Plan (CPP), Employment Insurance (EI), health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans.
4. *Allowances* include all monies paid to an employee as miscellaneous negotiated allowances. This category will include car or travel allowance, isolation allowances, relocation expenses, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships.
5. *Other* includes payments made for such things as performance bonuses, accrued vacations and termination benefits (severance pay, retiring allowances, sick leave and other settlement costs due to loss of employment).

ALBERTA TEACHERS' RETIREMENT FUND BOARD

TEACHERS' PENSION PLAN AND PRIVATE SCHOOL TEACHERS' PENSION PLAN

FINANCIAL STATEMENTS

AUGUST 31, 2003

Auditor's Report

Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Deficiency

Statement of Changes in Net Assets Available for Benefits

Statement of Changes in Accrued Pension Benefits

Notes to the Financial Statements

AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Alberta Teachers' Retirement Fund Board

I have audited the Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Deficiency of the Alberta Teachers' Retirement Fund Board (the "Board") as at August 31, 2003 and the Statements of Changes in Net Assets Available for Benefits and Changes in Accrued Pension Benefits for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the Net Assets Available for Benefits and Accrued Pension Benefits and Deficiency of the Board as at August 31, 2003 and the Changes in Net Assets Available for Benefits and Changes in Accrued Pension Benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn

FCA
Auditor General

Edmonton, Alberta
November 13, 2003

AUDITOR
GENERAL
Alberta

ALBERTA TEACHERS' RETIREMENT FUND BOARD
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED PENSION BENEFITS AND DEFICIENCY
AS AT AUGUST 31, 2003

	(in thousands) 2003	(in thousands) 2002
Assets		
Cash	$ 746	$ 3,471
Investments (Note 4)	2,458,451	2,185,671
Receivables (Note 5)	18,960	38,980
Capital assets (Note 6)	1,124	1,321
	2,479,281	2,229,443
Liabilities		
Accounts payable (Note 7)	10,751	9,198
Net assets available for benefits	**2,468,530**	**2,220,245**
Adjustment for fluctuation in fair value of net assets (Note 3c)	239,163	221,255
Actuarial Value of Net Assets Available for Benefits	**2,707,693**	**2,441,500**
Actuarial Value of Accrued Pension Benefits	8,703,159	8,189,100
Deficiency (Note 11)	**$ 5,995,466**	**$ 5,747,600**

The accompanying notes are part of these financial statements.

ALBERTA TEACHERS' RETIREMENT FUND BOARD
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands)	
	2003	**2002**
Increase in Net Assets		
Investment income (Note 8)	$ 63,356	$ 60,343
Change in fair value of investments (Note 8)	99,595	(168,116)
Contributions (Note 9)		
Teachers	140,157	179,396
Province of Alberta	303,384	226,860
Employers	387	387
Past service purchases	2,556	1,738
Transfers from other plans	5,455	5,094
	451,939	413,475
Total increase in net assets	**614,890**	**305,702**
Decrease in Net Assets		
Pension benefits	342,679	320,485
Termination benefits	10,490	9,686
Transfers to other plans	4,964	4,371
Administrative expenses (Note 10)	8,472	8,116
Total decrease in net assets	**366,605**	**342,658**
Change in Net Assets for the Year	248,285	(36,956)
Net Assets Available for Benefits at Beginning of Year	2,220,245	2,257,201
Net Assets Available for Benefits at End of Year	**$ 2,468,530**	**$ 2,220,245**

ALBERTA TEACHERS' RETIREMENT FUND BOARD

STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

FOR THE YEAR ENDED AUGUST 31, 2003

	(in thousands) 2003	(in thousands) 2002
Accrued Pension Benefits at Beginning of Year	$ 8,189,100	$ 6,971,200
Increase in Accrued Pension Benefits		
Interest on accrued benefits	608,709	553,700
Benefits accrued	255,099	226,000
Experience losses	-	529,400
Changes in actuarial economic assumptions	-	264,500
Changes in actuarial demographic assumptions	-	(28,000)
	863,808	1,545,600
Decrease in Accrued Pension Benefits		
Benefits paid	(349,749)	(327,700)
Accrued Pension Benefits at End of Year	**$ 8,703,159**	**$ 8,189,100**

ALBERTA TEACHERS' RETIREMENT FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2003

NOTE 1 AUTHORITY AND NATURE OF OPERATIONS

The Alberta Teachers' Retirement Fund Board, a Provincial corporation, is the trustee and administrator of the Teachers' Pension Plan and the Private School Teachers' Pension Plan (the "Plans"). The Alberta Teachers' Retirement Fund Board operates under the authority of the Teachers' Pension Plans Act, Chapter T-1.5.

The Plans are Registered Pension Plans as defined in the Income Tax Act and are not subject to income taxes. The income tax registration number is 0359125.

NOTE 2 DESCRIPTION OF THE PENSION PLANS

The following description of the Plans is a summary only.

a) General

The Plans are contributory defined-benefit pension plans for the teachers of Alberta.

b) Guarantee

The payment of all benefits for service prior to September 1, 1992 under the Teachers' Pension Plan is guaranteed by the Province of Alberta (the "Province").

c) Funding

The determination of the value of the benefits and the required contributions for the Plans is made on the basis of periodic actuarial valuations (Note 11).

All teachers under contract with school jurisdictions and charter schools in Alberta are required to contribute to the Teachers' Pension Plan. Current service costs and related deficiencies are funded by equal contributions from the Province and the teachers. An additional 10 percent cost-of-living adjustment for service earned after 1992, as described in Note 2(i), is funded entirely by the teachers.

NOTE 2 DESCRIPTION OF PENSION PLANS (CONTINUED)

The unfunded liability for service credited prior to September 1, 1992 is being funded by additional contributions in the proportions of 67.35 percent by the Province and 32.65 percent by the teachers over the period ending August 31, 2060. In accordance with an agreement reached on April 18, 2002 between the plan sponsors, the Province paid 100 percent of these additional contributions relating to the 2002-03 fiscal year.

Certain public colleges and other designated organizations in Alberta also participate in the Teachers' Pension Plan under the same funding arrangements, except these organizations make the employer contributions rather than the Province.

Certain private schools participate in the Private School Teachers' Pension Plan. Plan costs are funded by contributions from the employers and the teachers.

d) Retirement Pensions

Retirement pensions are based on the number of years of pensionable service and the highest consecutive five-year average salary. Pensions are payable to teachers who retire after completion of at least five years of pensionable service, with certain restrictions, and who have attained age 65. Unreduced pensions are also payable to teachers who have reached at least age 55 and the sum of their age and service equals 85. With certain restrictions, reduced early retirement pensions are payable to teachers who retire on or after age 55 with a minimum of five years of pensionable service.

e) Disability Benefits

Teachers who are disabled after August 31, 1992 are credited with pensionable service while disabled. Teachers do not contribute to the Plans while disabled.

f) Termination Benefits

Subject to lock-in provisions, refunds and commuted value transfers are available when a teacher ceases employment.

g) Death Benefits

Death benefits are available upon the death of a teacher and may be available upon the death of a pensioner. The benefit may take the form of a lump sum payment or a survivor pension.

NOTE 2 DESCRIPTION OF THE PENSION PLANS (CONTINUED)

h) Other Provisions

Purchase of past service and reinstatement of refunded service is allowed on a basis that is cost neutral to the Plans.

i) Cost-of-Living Adjustments

Pensions payable are increased each year by an amount equal to 60 percent of the increase in the Alberta Consumer Price Index. The portion of pension earned after 1992 is increased by an additional 10 percent of the increase in the Alberta Consumer Price Index.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

a) Basis of Presentation

The financial statements are prepared on a going-concern basis in accordance with Canadian generally accepted accounting principles and present the aggregate financial position of the Plans. The statements disclose the net assets available to meet future benefit payments, and are prepared to assist participants and others in reviewing the activities of the Plans for the fiscal year. They do not reflect the benefit security of individual participants.

b) Investments

Investments are recorded as of the trade date and are stated at market value, which approximates fair value. The methods used to determine year-end fair value are explained in the following paragraphs.

- Money-Market Securities are recorded at cost that approximates fair value.
- The fair value of publicly traded securities is based on market prices quoted by an independent supplier of securities related data.
- Fair value of real estate, oil and gas properties, and private placements, not publicly traded, is based on estimates as determined by management in conjunction with industry specialists.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

Premiums and discounts arising on acquisitions are amortized using the effective interest rate method and included in investment income. Changes in fair value subsequent to acquisition are included in change in fair value of investments (Note 8).

c) Actuarial Value of Net Assets Available for Benefits

To moderate the effects of market volatility on investment values, the actuarial value of net assets available for benefits is determined by averaging projected net assets available for benefits over a five-year period. A constraint limits the actuarial value of net assets available for benefits to be no less than 90% and no greater than 110% of the net assets available for benefits. This calculation results in the adjustment for fluctuation in fair value of net assets.

d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars at rates of exchange prevailing at the dates of the transactions. At year end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Gains or losses resulting from exchange differences are included in the determination of the change in fair value of investments.

e) Derivative Financial Instruments

Gains or losses on forward foreign exchange contracts are recognized with changes in market value, and are included in the determination of current year change in fair value of investments.

(f) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the straight-line method at the following annual rates:

Furniture and equipment	10-25%
Computer hardware and software	20-33.3%

Software under development is not amortized until implemented.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

g) Measurement Uncertainty

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

NOTE 4 INVESTMENTS

	(in thousands)			
	2003		2002	
	Fair Value	Cost	Fair Value	Cost
Fixed Income				
Cash	$ 6,052	$ 6,052	$ 14,417	$ 14,417
Money-Market Securities	31,964	31,964	23,567	23,567
Bonds and debentures	455,921	429,835	451,738	428,465
Real return bonds	169,744	152,081	194,918	185,103
Mortgages	-	-	1,770	1,553
	663,681	619,932	686,410	653,105
Equities				
Canadian equities	707,788	585,281	687,871	672,807
International equities	475,768	498,354	397,474	457,500
US equity pooled funds	608,518	631,629	411,052	502,155
Real estate and other assets	2,696	3,591	2,864	3,690
	1,794,770	1,718,855	1,499,261	1,636,152
	$ 2,458,451	$ 2,338,787	$ 2,185,671	$ 2,289,257

a) US Equity Pooled Funds

The Plans' US equity investments are held through ownership of units in two pooled funds each managed using a passive strategy with the objective of replicating the return of the *Standard & Poor's 500 United States Equity Index*. One fund invests directly in the US equity market and as at August 31, 2003, the Plans' proportionate interest in this pool had a fair value of $166,618,000 (2002: $167,284,000). The other fund invests in stock index futures contracts and Canadian dollar short-term fixed income investments.

NOTE 4 INVESTMENTS (CONTINUED)

As at August 31, 2003, the Plans' proportionate interest in this pool had a fair value of $441,900,000 (2002: $243,768,000). A stock index futures contract is an agreement to take or make a delivery of an amount of cash equal to the difference between changes in the level of the stock index over a specified period.

b) Interest Rate Risk

Interest rate risk relates to the impact of interest rate changes on the Plans' cash flows and financial position. This risk arises from differences in the timing and amount of cash flows related to the Plans' assets and liabilities.

As at August 31, 2003, a 1% increase in nominal interest rates would result in a decline in the fair value of Fixed Income investments of 8.6% (2002: 9.2%). Excluding the impact of real return bonds, the decline in fair value would be 5.3% (2002: 5.5%).

Based on fair values at August 31, 2003, Fixed Income investments have the following average effective yields and term structures:

(dollar amounts in thousands)

	2003					2002	
	Terms of Maturity						
	Within 1 Year	1 to 5 Years	Over 5 Years	Total	Average Effective Yield	Total	Average Effective Yield
Money-Market Securities	$ 31,964	$ -	$ -	$ 31,964	2.87%	$ 23,567	2.84%
Bonds and debentures	15,474	177,210	263,237	455,921	4.98%	451,738	5.27%
Real return bonds	-	-	169,744	169,744	2.49%	194,918	2.89%

c) Investments with the Province of Alberta

Investments include bonds issued by the Province of Alberta of $5,442,430 (2002: $5,513,155).

d) Credit Risk

Credit risk arises from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract.

The Plans limit their credit risk by dealing with counter parties that are considered to be of high quality, setting and monitoring compliance with portfolio guidelines, diversification and obtaining collateral where appropriate.
The Plans record all investments at fair value. Consequently, investment values reflected in Note 4 of these financial statements represent the maximum credit risk exposure of the Plans as at August 31, 2003.

NOTE 4 INVESTMENTS (CONTINUED)

e) Currency Risk

Currency risk arises from the Plans' holding of equities that are denominated in foreign currencies. A portion of the currency exposure may be hedged by foreign currency forwards. Foreign currency forwards are contractual obligations either to buy or sell a specified amount of foreign currencies at predetermined future dates and exchange rates.

The Plans' foreign currency exposure is as follows:

	(in thousands)			
	2003			2002
	Foreign Currency Exposure	Foreign Currency Hedge	Net Foreign Currency Exposure	Net Foreign Currency Exposure
United States	$ 647,793	$ -	$ 647,793	$ 438,155
Euro	183,813	-	183,813	173,708
United Kingdom	90,829	-	90,829	79,257
Japan	63,061	-	63,061	43,390
Switzerland	45,588	-	45,588	30,130
Australia	12,039	-	12,039	14,794
Other	47,834	-	47,834	35,999
	$ 1,090,957	$ -	$ 1,090,957	$ 815,433

Foreign currency exposure includes $6,671,000 (2002: $14,394,000) in cash.

NOTE 5 RECEIVABLES

	(in thousands)	
	2003	2002
Accrued income	$ 11,327	$ 10,784
Amounts due from pending trades	205	2,897
Contributions - teachers	7,288	14,722
Contributions - Province of Alberta	-	10,449
Other	140	128
	$ 18,960	$ 38,980

NOTE 6 CAPITAL ASSETS

	(in thousands)			
	2003			2002
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	$ 372	$ 308	$ 64	$ 96
Computer hardware and software	4,341	3,410	931	1,133
Software under development	129	-	129	92
	$ 4,842	$ 3,718	$ 1,124	$ 1,321

NOTE 7 ACCOUNTS PAYABLE

	(in thousands)	
	2003	2002
Tax withholdings	$ 4,563	$ 4,379
Contributions - Province of Alberta	3,326	-
Amounts payable from pending trades	692	2,454
Other investment transactions	927	893
Other	1,243	1,472
	$ 10,751	$ 9,198

NOTE 8 INVESTMENT INCOME

	(in thousands)	
	2003	2002
Interest income		
Cash and money-market securities	$ 1,640	$ 1,498
Bonds and debentures	24,974	26,033
Real return bonds	10,323	8,790
Mortgages	157	162
Dividend income		
Canadian equities	14,126	13,382
International equities	11,699	10,015
Real estate and other assets	437	463
	$ 63,356	$ 60,343

NOTE 8 INVESTMENT INCOME (CON'T)

Investment income includes interest of $375,000 (2002: $375,000) earned on bonds issued by the Province of Alberta.

The change in fair value of investments, of a net gain of $99,595,000, includes a realized net loss on disposal of investments of $123,655,000 (2002: net loss of $5,534,000) and an unrealized net gain of $223,250,000 (2002: net loss of $162,582,000).

NOTE 9 CONTRIBUTIONS (NOTE 2c)

	(in thousands)	
	2003	**2002**
Teachers		
Current service	$ 129,792	$ 115,922
Unfunded liability	-	54,218
Additional COLA	10,365	9,256
	$ 140,157	$ 179,396
Province of Alberta		
Current service	$ 124,465	$ 115,230
Unfunded liability	178,919	111,630
	$ 303,384	$ 226,860
Employers		
Current service	$ 328	$ 332
Unfunded liability	59	55
	$ 387	$ 387

NOTE 10 ADMINISTRATIVE EXPENSES

	(in thousands) 2003 Budget	2003 Actual	2002 Actual
External investment management fees	$ 3,399	$ 3,177	$ 3,129
Salaries and benefits (Note 13)	2,973	2,855	2,629
Premises and equipment	867	834	835
External professional services	619	533	389
Custodial and banking charges	519	485	502
Communication	628	461	456
Board and Investment Committee	63	53	86
Audit fees	57	49	43
Other	34	25	47
	$ 9,159	$ 8,472	$ 8,116

NOTE 11 OBLIGATIONS FOR BENEFITS

a) Extrapolations and Assumptions

Actuarial valuations of the Plans were done as at August 31, 2002. Extrapolations were prepared for reporting purposes as at August 31, 2003. The present value of accrued benefits was determined using the projected benefit method prorated on service. The assumptions used in the valuations and extrapolations are based on management's best estimate of future events.

The major long-term economic assumptions used in the current year extrapolations and the 2002 actuarial valuation are:

	2003	2002
Rate of return on invested assets	7.50%	7.50%
Rate of inflation	3.00%	3.00%
Real wage increases	1.00%	1.00%
Teacher population growth	0.75%	0.75%

Future experience will differ from those assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future actuarial valuations.

NOTE 11 OBLIGATIONS FOR BENEFITS (CONTINUED)

b) Sensitivity of Changes in Major Assumptions

As at August 31, 2003, a 0.50% decrease in teacher population growth rate under the Teachers' Pension Plan, holding all other assumptions constant, would increase the amount of contributions required to fund the unfunded liability attributable to service credited prior to September 1992 by 0.98% of total teacher salaries. No change would occur to the value of accrued pension benefits. The amount of contributions required to fund the deficiency attributable to service credited after August 1992 would increase by 0.06%.

As at August 31, 2003, a 0.50% decrease in the rate of return on invested assets and in the rate of inflation under the Teachers' Pension Plan, holding all other assumptions constant, would increase the amount of contributions (expressed as a percentage of total teacher salaries) required to fund:
i) current service costs by 0.35%,
ii) the unfunded liablity attributable to service credited prior to September 1992 by 0.12%, and
iii) the deficiency attributable to service credited after August 1992 by 0.40%.
The accrued pension benefits would decrease approximately $281 million.

c) Results Based on Extrapolations

The extrapolation for the Teachers' Pension Plan to August 31, 2003 determined an unfunded liability of $5.562 billion, attributable to service credited prior to September 1992 and a $434 million deficiency attributable to service after August 1992. The unfunded liability and deficiency are being funded as described in Note 2c.

The extrapolation for the Private School Teachers' Pension Plan to August 31, 2002 determined a surplus of $0.7 million.

NOTE 11 OBLIGATIONS FOR BENEFITS (CONTINUED)

	(in thousands)				
	2003				2002
	Teachers' Pension Plan		Private School Teachers' Pension Plan	Total	Total
	Pre -Sept. 1992	Post-Aug. 1992			
Net assets at beginning of year	$ 43,175	$ 2,155,748	$ 21,322	$ 2,220,245	$ 2,257,201
Net contributions	173,648	262,177	660	436,485	399,418
Benefits	(296,040)	(45,989)	(650)	(342,679)	(320,485)
Investment earnings	(1,755)	163,248	1,458	162,951	(107,773)
Administrative expenses	(20)	(8,374)	(78)	(8,472)	(8,116)
Net assets (liabilities)	(80,992)	2,526,810	22,712	2,468,530	2,220,245
Interest on net liabilities	(1,133)	1,133	-	-	-
Adjustment for fluctuation in asset value	-	237,000	2,163	239,163	221,255
Actuarial value of accrued benefits	(5,480,000)	(3,199,000)	(24,159)	(8,703,159)	(8,189,100)
(Deficiency)/surplus	$ (5,562,125)	$ (434,057)	$ 716	$ (5,995,466)	$ (5,747,600)

d) Post-fund Receivable from Pre-fund

The net assets available for benefits related to the Teacher's Pension Plan are segregated into pre-September 1992 and post-August 1992 funds. All disbursements and receipts since September 1992 have been charged or credited to the appropriate fund.

During the year, assets available to the pre-September 1992 fund were depleted. In accordance with legislation, each month since that time, assets have been advanced from the post-August 1992 fund to the pre-September 1992 fund to enable it to meet its ongoing commitments.

A rate of interest equal to the assumed rate of return on invested assets of 7.5% is used to charge interest on amounts advanced.

	(in thousands)	
	2003	2002
Opening balance	$ -	$ -
Post-fund advances during the year	80,992	-
Interest on advances	1,133	-
Post-fund Receivable from Pre-fund	$ 82,125	$ -

NOTE 12 INVESTMENT PERFORMANCE

The following is a summary of the investment performance results attained by the Alberta Teachers' Retirement Fund Board:

	One-Year Return	Five-Year Average Annual Compound Rate
Alberta Teachers' Retirement Fund Board	6.9%	6.1%
Benchmark (1)	6.6%	4.5%

(1) The benchmark return is a weighted average of certain market index returns, approved by the Board, based on the fund's policy asset mix.

The Board adopts a long-term real rate of return assumption for actuarial valuations. This long-term rate of return target was set at 3.5 percent over inflation for the year ended August 31, 1993, 4 percent over inflation for the four years ended August 31, 1997 and 4.5 percent over inflation since September 1, 1997. Over the eleven-year period since September 1, 1992, the Fund's average annual compound rate of return was 8.1 percent, compared to the long-term target of 6.6 percent.

NOTE 13 REMUNERATION AND COMPENSATION

a) Board Member Remuneraton

Board members who are not employed by the Province of Alberta or by an employer participating in the plans are paid fees for all Board and committee meetings attended. For the year ended August 31, 2003 the Board Chair received remuneration of $7,000 (2002: nil). One other Board member received remuneration of $8,000 (2002: $5,000).

b) Senior Staff Compensation

	2003				2002
	Base Salary	Bonus (1)	Benefits & Allowances (2)	Total	Total
Executive Director	157,000	44,000	29,000	230,000	212,000
Director of Investments	146,000	61,000	26,000	233,000	225,000
Portfolio Manager, Equities	139,000	67,000	19,000	225,000	198,000
Portfolio Manager, Bonds	119,000	30,000	15,000	164,000	148,000
Senior Investment Analyst	92,000	26,000	14,000	132,000	97,000(3)

(1) Senior staff are eligible to receive bonuses based on the achievement of pre-set corporate and investment targets approved by the Board. Bonuses for investment professionals are based on a combination of total fund and portfolio performance targets, measured in value added above benchmarks. Performance versus benchmark is measured over five-year and one-year performance periods.

(2) Benefits and Allowances includes the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, vision coverage, group life insurance, long-term disability plan, professional memberships and tuitions, and car allowances.

(3) The position was occupied for the period December 1, 2001 to August 31, 2002.

NOTE 14 COMPARATIVE FIGURES

Comparative figures have been reclassified, where necessary, to conform to The 2003 presentation.

NOTE 15 BUDGET INFORMATION

The accrued pension benefits are based on management's best estimates of future events after consultation with the Plans' actuary. Differences between actual results and management's expectations are disclosed as net experience gains in the statement of changes in accrued pension benefits. Accordingly, a budget is not included in these financial statements, with the exception of administrative expenses (Note 10).

Unaudited Information
Summary of Accomplishments - Alberta Learning Business Plan
April 1, 2003 to March 31, 2004

Presented below are Alberta Learning's accomplishments for 2003/04 in implementing the Ministry's Business Plan for 2003-06. These are organized by the goals and strategies of the business plan. Many of these accomplishments also address the strategic priorities of the Ministry for 2003/04, which are:

- continuous improvement of the learning system;
- labour market demands and sharing/creating knowledge;
- First Nations, Métis and Inuit learner success;
- collaboration with partners and stakeholders; and
- financial sustainability of the learning system.

Strategy 1A: Continue to promote learning excellence through the continuous improvement of the learning system.

- Invested an additional $20 million to support pre-school and Kindergarten children with special needs, to accommodate the increased number of students returning to complete or upgrade Grade 12, and to provide educational supports for students in government institutional programs such as group homes and treatment centres for youth.
- Approved a new language initiative to make learning a second language a requirement for students in Grades four through nine. Beginning in 2006/07, Alberta students in Grades four through nine will be required to learn one of these languages: Chinese, Cree, French, German, Japanese, Punjabi, Spanish, and Ukrainian.
- Approved the following new Programs of Study for implementation: German Language and Culture 7-8-9, 10-20-30 and 10S-20S-30S; Italian Language and Culture 10-20-30; Spanish Language Arts K-3; Spanish Language and Culture 7-8-9, 10-20-30, and 10S-20S-30S; and Ukrainian Language Arts K-9.
- Initiated a collaborative exchange relationship between Alberta and the state of Jalisco, Mexico to support second-language learning and training.
- Redeveloped social studies curriculum, with an increased focus on Canadian and Albertan history, citizenship, and First Nations, Métis and Inuit cultures. The revised curriculum will be implemented beginning in 2005 with Kindergarten to Grade 3.
- Implemented strategies to address the goals of the Renewed Vision for the K-12 curriculum, focusing on areas relating to primary programs (K-3), daily physical activity, second language learning and Individualized Learning Career Pathways.
- Held consultations in Grande Prairie, Red Deer, Calgary, Edmonton, Lethbridge and Medicine Hat on the Daily Physical Activity (DPA) Initiative. Over 400 stakeholders participated, including teachers, administrators, health professionals and representatives of sports and recreation organizations. Daily physical activity will be phased in over three years, and will increase student activity levels and healthy behaviours, with mandatory implementation of 30 minutes/day starting in September 2005 for Grades 1-9 and in September 2006 for high school. Schools may chose to implement DPA in the 2004/05 school year.
- Enhanced the interface of the Grade 9 science e-text in response to feedback from teachers, students and parents, as part of a three-year research study in collaboration with publishers.
- Trained 57 additional school teams and 88 coaches in using the Effective Behaviour Supports (EBS) process for a total of 249 school teams and 121 coaches since the introduction of EBS in 2001/02.
- Held the Third Annual Alberta Initiative for School Improvement (AISI) Conference in January 2004 that highlighted effective school improvement practices and strategies for integrating these practices into new

projects as part of the second three-year cycle of AISI projects.

- Updated the Alberta Initiative for School Improvement Clearinghouse website with a series of new promising practices from school jurisdictions.
- Provided technical and administrative support to the Alberta Commission on Learning (ACOL).
- Accepted the vast majority of the 95 recommendations contained in the ACOL report: *Every child learns. Every child succeeds*, and developed implementation plans for the accepted recommendations. Many of the recommendations supported work underway within government and among school boards.
- Launched a process for policy development to support government-approved recommendations from ACOL.
- Developed a framework to implement the recommendations from the Members of the Legislative Assembly Committee on Lifelong Learning based on consultation with Government of Alberta ministries, aligning the framework with ACOL recommendations.
- Conducted an impact study of year-round schooling options on student achievement.
- Conducted a review of Quebec's results in international and national assessments to identify factors contributing to strong performance with a particular focus on the subject of Mathematics, as this is a priority area for Alberta schools.
- Introduced Bill 25, the *School Amendment Act*, and Bill 26, the *Teaching Profession Amendment Act*, the government's response to recommendations of Alberta's Commission on Learning related to the teaching profession.
- Renewed a five-year Memorandum of Agreement with the five teacher preparation institutions in Alberta, whereby deans confirm to the Minister that teachers have the required knowledge, skills and attributes for interim certification.
- Completed an assessment of the six Regional Professional Development Consortia. These facilitate professional development for teachers and other staff involved in Alberta's basic education system. The review found a high level of support for the goals and activities of the Consortia.
- Established guidelines and criteria for the identification of Small Schools by Necessity and worked with Alberta Infrastructure to ensure that they are included in the capital projects plan. Small Schools by Necessity exist when the distance between schools of the same jurisdiction is such that transporting students to other schools is not practical.
- Maintained a high level of satisfaction (86%) among employers with apprenticeship technical training curriculum.
- Maintained a high level of apprentice graduate satisfaction (89%) with alternative delivery of technical training. Supported alternative delivery approaches for apprentices through development and marketing of Individual Learning Modules (ILMs). Implemented modules for electrician trade and continued work on modules for the carpenter and plumber trades. In 2003/04, approximately 600,000 ILMs were ordered, including 15% of them from outside Alberta. ILMs facilitate flexibility and standardization in training.
- Completed the implementation of new record books to improve the consistency of on-the-job training. Record books track an apprentice's progression through on-the-job training and encourage the development of a broad base of skills.
- Reported on the Survey of 2001/02 Graduates of Apprenticeship and used the results to inform policy and program development.
- Reorganized and updated the Private Vocational Training Regulation. Revisions to the regulation include enhancing the significance of Class A and Class B status of licensed vocational programs and requiring

distance learning training to meet the same requirements as training delivered on-site.

- Completed consultations and established regulations for the Campus Alberta Quality Council, which will facilitate the development and expansion of degree-granting opportunities for learners.
- Passed and proclaimed Bill 43, the *Post-secondary Learning Act*, setting the stage for increased access to high-quality degree opportunities through a more adaptable and seamless post-secondary system. The legislation combined and updated four previous acts that each governed a separate area of the system: The *Universities Act*, the *Colleges Act*, the *Technical Institutes Act* and the *Banff Centre Act*.
- Enhanced on-line access to post-secondary education, and created spaces for 692 more students at Alberta's post-secondary institutions in the fields of health sciences, Aboriginal teaching, management and apprenticeship technical training through a $30 million boost to the Access Fund.
- Accredited six new degree programs to be offered by private institutions, through authorization by Order in Council.

Strategy 1B: Ensure the learning system is responsive to labour market demands and supports the creation and sharing of knowledge.

- In response to industry needs, provided $20 million to post-secondary technical training providers to maintain an additional 5,780 apprenticeship spaces and enhance technical training equipment and facilities.
- Maintained a high level of satisfaction of employers (95%) and apprenticeship graduates (93%) with the quality of services received from Apprenticeship and Industry Training staff.
- Provided registration and counselling services to apprentices and employers and monitored compliance through a total of 13,154 shop visits.
- Developed a strategic framework in consultation with over 40 stakeholders for integrating skilled immigrants into the Alberta economy, including employees, post-secondary institutions and occupational credentialing bodies.
- Added 400 nominations for skilled immigrants to the Provincial Nominee Program, allowing Alberta to nominate a total of 800 candidates over the course of the agreement.
- Signed international student processing and work permit agreements in support of the Alberta International Education Strategy.
- Concluded two foreign student agreements: the Memorandum of Understanding (MOU) on Priority Processing of International Students and the Agreement on Post-Graduation Employment for Foreign Students. Both agreements support the Alberta International Education Strategy and labour force strategy, *Prepared for Growth.*
- Responded to industry requests for new designations of trades and occupations. Progress includes reviewing the following applications:
    - designation of oil and gas driller as a compulsory certification trade from the Canadian Association of Oilwell Drilling Contractors (CAODC);
    - designation of six groups of occupations from the Petroleum Services Association of Canada (PSAC);
    - designation of natural gas compression technician as a compulsory certification trade;
    - designation of structural steel and plate fitter to a compulsory certification trade from an optional trade.
- Continued to market Alberta's expertise in apprenticeship and industry training internationally and maintain services to international clients. Collaborated with representatives from Bermuda's government and industry to help them develop a national certification system based on Alberta's apprenticeship and industry training model.

- Signed Memoranda of Understanding (MOU) with Saxony (Germany), Denmark, Vietnam, and China to share Alberta Learning's expertise and assist them in enhancing their learning systems.
- Signed a Memorandum of Understanding with the National Energy Skills Centre Trinidad and Tobago to formalize the relationship with Alberta Learning with respect to the development of industry standards and training and certification for worker mobility.
- Arranged visits for Minister-led delegations from Saxony, Basque (Spain) and Jalisco (Mexico) and coordinated Ministerial missions to Vietnam, Ireland and Sweden.

Strategy 1C: Continue to develop a learning system that integrates new learning technologies.

- Received Standing Policy Committee approval for the *Learning and Technology Policy Framework*. Developed a learning and technology research strategy in consultation with Ministry staff and stakeholders.
- Established the Technology Standards and Solutions initiative to identify and share standards and best practices on the use of technology to enhance the delivery of programs and improve learning.
- Increased the amount of digital content posted on the LearnAlberta.ca website, including French resources, the National Geographic Science Centre, and other resources in support of the curriculum. Launched the new English and French interfaces for LearnAlberta.ca, which support search/browse capabilities.
- Developed the LearnAlberta.ca Content Delivery Device solution and initiated a pilot, with full deployment anticipated by Fall 2004.
- Initiated videoconferencing research pilot projects in various areas of the province.
- Supported a variety of learning and technology professional development partnership initiatives, including the TELUS Learning Connection, Galileo Educational Network, Alberta Online Consortium's Information and Communication Technology in High School Learning program, Edmonton Public Schools' Leadership Link initiative, and Palliser Technology Leadership Needs Assessment.
- Provided information on the Technology Standards and Solutions initiative to identify and share standards and best practices on the use of technology to enhance the delivery of programs and improve learning.
- Provided guidance and support to stakeholders and partners on SuperNet implementation. In partnership with NAIT, SuperNet IT training course development was completed.
- Provided support for the Alberta Computers for Schools Program, which has distributed almost 50,000 computers to schools and libraries since 1993.

Strategy 1D: Develop a learning system that maximizes accountability to Albertans by identifying common desired outcomes for the learning system.

- Began implementing outcomes and measures for the Kindergarten to Grade 12 learning system as defined by the Review Committee on Outcomes in provincial surveys of parents, high school students, teachers and the public.
- Conducted field validation of the following Integrated Occupational Programs: English Language Arts, Grades 8-12; Mathematics, Grades 8-11; Science, Grades 8-11; Social Studies, Grades 8-11; Occupational Courses, Grades 8 and 9.
- Completed draft tests for field validation of Grade 9 student performance in Mathematics, English Language Arts, Science, and Social Studies in the Integrated Occupational Program.
- In response to stakeholder expectations for a written component in all diploma examinations, re-designed the Mathematics and Science diploma examinations to include a separate written response portion.

- Designed a methodology and phased approach to ensure that diploma examinations are comparable from year to year. Implementation began with Social Studies 30 and 33.
- Released high school drop-out rates of students aged 14-18 and returning rates of youth who dropped out the previous year to school jurisdictions and the public for the first time.
- Reviewed school jurisdictions for compliance with Credit Enrolment Unit (CEU) funding guidelines.
- With NorQuest College, initiated development of measures for services such as library, registration, computer services and counselling.
- Launched the Beyond MIRS (Management Information Reporting Schedules) Pilot Project with six school boards to assess the usefulness of grade level achievement data for program evaluation at the classroom, school, jurisdictional and provincial levels.

Strategy 2A: Improve First Nations, Métis and Inuit learner success.

- Supported initial implementation of the First Nations, Métis and Inuit (FNMI) School-Community Learning Environment Project with 16 pilot school jurisdictions to improve the success of FNMI learners attending provincial schools by increasing attendance, retention, achievement and high school completion rates.
- Developed the Student Guide for Aboriginal People and the Guide for Counsellors and Educators and distributed them to 1,346 schools and counselling centres.
- Established and co-chaired the Alberta Learning – Indian and Northern Affairs Canada (INAC) – Aboriginal organization to identify priority projects for on-reserve education.
- Co-chaired with INAC the Education sub-committee of the Canada/Alberta/Aboriginal Partnership Forum to identify priority projects for on-reserve education.
- Trained 29 Aboriginal people to provide facilitator training or to be facilitators to deliver Aboriginal Literacy and Parenting Skills Programs. Training and family literacy resources that are sensitive to Aboriginal people were provided to 150 home visitors.
- Continued to infuse the Aboriginal perspective into English Language Arts, Health/CALM/ Physical Education, Mathematics and Science programs.
- Exceeded initial target of 45 registered Aboriginal apprentices in the three pilot areas of Edmonton, Fort McMurray and High Level for the Alberta Aboriginal Apprenticeship Project, resulting in 70 registered apprentices participating in 17 different trades.
- Worked with learning stakeholders, industry and Aboriginal organizations to increase Aboriginal awareness and participation in the apprenticeship and industry training system. As of March 30, 2004, there were 688 registered Aboriginal apprentices.
- Developed informational and promotional materials for Aboriginal audiences to increase their awareness and assist them to make choices about career opportunities in the trades through The Aboriginal Communication Strategy. Copies of the *Step Into the Trades* guides for counsellors and educators have been distributed to 1,346 schools and counselling centres.
- Provided presentations on careers in the trades to more than 1,000 junior and senior high school students. Met with members of the First Nations Adult and Higher Education Consortium to provide information regarding licensing of vocational training programs under the *Private Vocational Schools Act* and identify licensing issues that may arise for member institutions.
- Approved several Aboriginal-specific initiatives through the Access Fund to increase access and participation of Aboriginal population, including Aboriginal Teacher Education Program, Aboriginal Teacher (Niitsotapi) Education and the Teacher Assistant Program.

- Reviewed and approved 100% of First Nations School Program Declaration forms that ensure Band-Operated Schools' compliance with government requirements.
- Implemented Aboriginal Learner Data Collection Initiative, requiring public schools and post-secondary institutions to include a voluntary ancestry question on registration forms.

Strategy 2B: Continue to improve learning opportunities for Albertans by enhancing transitions to work and further study for learners.

- Worked with schools, employers and organization such as CAREERS: The Next Generation, Skills Canada and others to communicate career paths in the trades and benefits to high school students resulting in 891 new high school students registered in the Registered Apprenticeship Program (RAP). Over 1,500 apprentices who started in RAP are currently continuing in a regular apprenticeship program. Another 487 students who were in RAP have gone on to become certified in their trade.
- Generated 71% of Interprovincial Standards (Red Seal) examinations through the apprenticeship Interprovincial Computerized Examination Management System (ICEMS), to improve the efficiency of the production and administration of Red Seal trade examinations across Canada.
- Provided interprovincial mobility by issuing Red Seal trade certificates to 4,643 tradespersons, up from 4,306 in 2002. The Red Seal allows mobility in designated trades across Canada through recognition of trade certificates among participating provinces.
- Reviewed 3,348 prior learning assessment and qualification certificate applications, up from 3,037 a year ago.
- Certified 603 people through the Qualification Certificate Program, which recognizes prior work experience, knowledge and skills in designated trades and occupations in Alberta.
- Completed almost 800 additional transfer agreements among post-secondary institutions in Alberta.
- Issued 2,754 international qualifications assessment reports to learners with international credentials, a 25% increase from the previous year.
- Negotiated and signed an agreement with the Northwest Territories for the International Qualifications Assessment Service (IQAS) to provide assessment services to their residents with international credentials.
- Completed a study on employment and educational outcomes for learners with international credentials and published the results and recommendations in the IQAS Outcomes Survey report.
- Released the *Survey of Post-secondary Applicants not Attending Report* on students who applied for post-secondary studies but did not attend, indicating that the extent of unmet demand within Alberta's post-secondary system is lower than Alberta's Duplicate Application Detection project indicated.
- Supported community programs which helped 48,316 participants address a personal learning goal, or work to improve their basic literacy, English as a second language or employability skills through Community Adult Learning Councils and volunteer tutor adult literacy programs.
- Provided settlement services and English as a Second Language assessment services to over 15,000 new immigrants through immigrant serving agencies.
- Developed a methodology for high school to post-secondary transition rate, a new core measure in the Ministry's 2004-07 Business Plan.

Strategy 2C: Enhance accessibility and promote consistent practices of learning programs for all students.

- Passed Bill 1, the *Alberta Centennial Education Savings Plan Act*, which sets the stage for a new program that will encourage parents to open a Registered Education Savings Plan (RESP) for their children with a $500 per child investment from government.
- Implemented an Apprenticeship Tuition Fee Policy and monitoring system to ensure that technical training costs are predictable and manageable for apprentices while at the same time maintaining high quality and up-to-date training. Apprentices who demonstrate need may qualify for grants to help pay for tuition, books, supplies and living expenses.
- Established a new Tuition Fee Policy to ensure predictable and manageable tuition increases at post-secondary institutions.
- Awarded $10 million in Performance Envelope funding to 24 post-secondary institutions in recognition of outstanding performance in areas such as graduate employment and satisfaction, increasing accessibility, reducing administration expenditures and generating enterprise revenue.
- Provided approximately $84.4 million in loan relief benefits and completion payments to reduce student debt levels. The Alberta Student Loan Relief Benefit and the Loan Relief Completion Payment continued to reduce debt for students in their first and final years of study respectively.
- Increased both the number of scholarship recipients and the total amount awarded under the Alberta Heritage Scholarship Fund. Over 10,600 students received over $22.2 million in scholarships, an increase of over 5%.
- Issued over $14.9 million in Achievement Scholarships to over 12,700 Alberta post-secondary students, an increase of over 10%.
- Designed and implemented Belcourt-Brosseau Métis Awards, International Education Awards – Ukraine, Language in Teacher Education Scholarships and Language Teacher Bursary Program.
- The Alberta Scholarships Program handled approximately 16,000 inquiries from learners, parents and educational institutions.
- Recognized and rewarded 50 of Alberta's Registered Apprenticeship Program (RAP) students with $1,000 Scholarships.
- Awarded Alberta Apprenticeship and Industry Training Scholarships (valued at $1,000 each) to 168 apprentices.
- Supported eCampus Alberta, providing Alberta's post-secondary students online access to courses offered by institutions throughout Alberta.
- Continued progress towards completion of the Students Finance System Development Project.
- Completed seven Grades 1-12 Special Education Programming Standards Reviews and 13 Early Childhood Services Programming Standards Reviews.
- Provided ongoing production to convert publisher files into Braille format for use by the visually impaired.
- Collaborated in creation of an inter-divisional accessibility working group whose goal is the enhancement of learner capabilities and the removal of barriers to performance within the educational community.
- Expanded access to learning opportunities in rural communities, through Community Adult Learning Council Initiatives, resulting in an additional 6,359 participants in 491 learning opportunities.
- Completed 89% of the 66 recommendations identified in the three-year Special Education Review Implementation Plan.
- Engaged over 6,500 parents and over 7,000 preschool children in family literacy activities through 53 projects of the Parent-Child Literacy Strategy.

Strategy 3A: Continue to work collaboratively with partners and stakeholders within the learning system.

- Led a collaborative initiative to develop a Pan-Canadian broadband connectivity plan and to introduce the Pan-Canadian Assessment Program (PCAP) as a replacement for the School Achievement Indicators Program (SAIP).
- Supported government Cross-ministry Initiatives, providing a leadership role in the Alberta Children and Youth Initiative and the Economic Development Strategy, and making value-added contributions to the Health Sustainability Initiative, Aboriginal Policy Initiative, Service Alberta, Information Technology Strategy, Alberta Corporate Service Centre and the Human Resource Development Strategy.
- In conjunction with Statistics Canada, the Council of Ministers of Education, Canada and other provincial and territorial governments, released the *Report of the Pan-Canadian Education Indicators Program 2003*.
- Transferred two schools from Grande Yellowhead Regional Division to Living Waters Catholic Regional Division to address changes in student enrolment.
- Participated on the Joint Policy Coordination Committee (JPCC) meetings and worked in partnership with Alberta Infrastructure to plan, evaluate, and develop school capital plans, programs, policies and legislation.
- Approved the cross-ministry *Policy Framework for Services for Children and Youth with Special and Complex Needs and their Families* in July 2003. Provided cross-sector and ministry orientation sessions on the *Framework* and *Information Sharing Guideline* to over 400 participants.
- Developed a cross-ministry tracking system, in collaboration with Children's Services and Health and Wellness, as part of the implementation of Policy Direction #1 under the *Framework* to support regional integrated case management team reviews as well as provide data on the needs of children/youth with complex needs and the nature and costs of the services provided by the various service sectors.
- Contributed to the cross-ministry Service Delivery Working Group for the Mental Health Framework.
- Completed revisions to the Protection of Children Involved in Prostitution handbook.
- Completed revisions to the Young Offender Protocol to reflect the new *Youth Criminal Justice Act*.
- Assumed lead for the day-to-day management of the Student Health Initiative, with support from Children's Services and Health and Wellness.
- Conducted a cross-ministry review of the Student Health Initiative and began implementation of the recommendations.
- Prepared a Provincial Report on the first three years of the Alberta Initiative for School Improvement.
- Reviewed local strategies with school superintendents for improving student achievement in priority schools, promoting continuous improvement, and Credit Enrolment Units (CEU) funding requirements.
- Reviewed and approved Alberta Home and School Councils' Association's 2003/04 Annual Plan and 2002/03 Annual Results Report, as required by the Conditional Grant Agreement to ensure accountability requirements are being met.
- Provided liaison between the department and the regional consortia to facilitate effective implementation of new/revised curricula.
- Developed implementation plans for recommendations assigned to the Implementation Planning Committee – School Councils – Next Steps Report (1999).
- Reviewed Three-Year Education Plans, with school jurisdictions and completed follow up to ensure consistency and compliance with provincial requirements and with the capital and facility plans.
- Reviewed Annual Education Results Reports with school jurisdictions to discuss results and improvement plans.

- Presented information to stakeholders at regional meetings to facilitate effective implementation of the Renewed Funding Framework in school jurisdictions.
- Established the Stakeholder Advisory Committee to facilitate the successful development and implementation of the Accountability Pillar of the Renewed Funding Framework for school jurisdictions.
- Developed and implemented a plan to ensure that student transcripts are monitored at the local level to make certain that students going into Grade 12 have the prerequisite courses necessary to access courses leading to the High School Diploma.
- Commenced first phase of a pilot project to explore delivery improvements for production of educational resource materials.
- Worked in collaboration with other provincial and territorial ministries on the Pan-Canadian Online Learning Portal, officially launched by the Council of Ministers of Education, Canada. Approval was given by Ministers to fund further work on the portal.
- Worked collaboratively with Alberta Infrastructure to determine the capital priorities for school boards.
- Presented the Chairman's Award of Excellence to five individuals at the Industry Network Workshop to recognize outstanding dedication and commitment to the trades and to the principles of apprenticeship through many years of service in the industry committee network.
- Led and supported activities to promote standardization, recognition and mobility of trades across Canada through the Canadian Council of Directors of Apprenticeship (CCDA), Interprovincial Alliance of Apprenticeship Board Chairs (IPA), the Interprovincial Computerized Examination Management System (ICEMS) and the Canadian Apprenticeship Forum (CAF).
- Worked with industry partners and other government departments to forecast employment supply and demand in the trades and develop strategies to address skilled trades shortages.
- Started collaborations with the Construction Sector Council and other partners to develop construction supply and demand information regionally and across the country.
- Held a workshop to strengthen the network of industry committees and developed an action plan to enhance the effectiveness of the committees. Members of the network recommend standards for training and certification and identify changes in training, enabling the apprenticeship and industry training system to be timely, up to date and responsive to the labour market and economy.
- Completed a program review of Career and Technology Studies (CTS) and implemented a prerequisite monitoring plan. Developed an electronic database system that verifies CTS/CEU claims to ensure that prerequisites are in place for failed or withdrawn CTS courses.
- Consulted with owners of private institutions offering vocational programs licensed under the *Private Vocational Schools Act* regarding the security requirements associated with licensed programs.
- Developed strategies, in collaboration with Economic Development, to support Alberta's transition to a knowledge-based economy.
- In collaboration with the federal government and Council of Ministers of Education Canada (CMEC), developed recommendations for improvements to student financial assistance, promoting accessible and affordable post-secondary education.
- Completed strategic planning sessions with Grande Prairie Regional College.
- Completed a review of enrolment management processes at Lethbridge Community College.
- Completed consultations on roles and responsibilities within the post-secondary system and incorporated changes into the *Post-secondary Learning Act*.

- Developed a priority list, in collaboration with Alberta Infrastructure, which identified the capital projects for 2004-07 for post-secondary institutions, as part of the overall Government Capital Planning Initiative.
- In collaboration with Alberta Human Resources and Employment, handled over 144,000 inquiries from clients and delivery partners through the Student Funding Contact Centre, resulting in a significant reduction in the average wait time for callers. Approximately 90,000 of these inquiries were related to student assistance programs for post-secondary studies.
- Signed Memorandum of Understanding to establish Alberta-British Columbia Protocol for Cooperation and Development – Acquisition and Delivery of Learning Resources.
- Negotiated with the Federal Government to have Alberta's interests and priorities reflected in federal immigration policy and programs.

Strategy 3B: Promote financial sustainability of the learning system.

- In support of affordable learning opportunities, processed over 144,000 applications for student loans, scholarships, and loan relief payments from more than 96,000 clients, an increase of 15.7% applicants.
- Developed an action plan to address prerequisite monitoring for Career and Technology Study courses as requested by the Auditor General.
- Redeveloped financial systems to accept the Renewed Funding Framework and recommendations from the Alberta Commission on Learning.
- Reviewed emergency preparedness and implemented a Business Resumption Plan for the Ministry.
- Announced and provided a one-time funding allocation of $20 million to enable school jurisdictions to purchase learning resources through the Learning Resources Centre.
- Assisted post-secondary institutions with one-time operations and maintenance grants of $30 million.
- Acted on the recommendations of Alberta's Commission on Learning by providing $37 million for increases in funding for students with severe special needs, a return to credit-based funding for Grade 10 students, and other costs identified by the Commission. Also provided $2.7 million to address needs in school jurisdictions that have experienced large enrolment declines.

Strategy 3C: Ensure Albertans have timely, accurate and relevant information about the learning system.

- Posted the annual Curriculum Handbooks and Summaries for parents on Alberta Learning's website in both English and French.
- Reported results of the 2002/03 surveys of the public, adult learners, parent and high school students and conducted the 2003/04 surveys.
- Launched the Accountability Pillar for the Kindergarten to Grade12 system, including provincial surveys of school board members, Grade 4, 7 and 10 students and their parents and teachers. In total more than 270,000 surveys were distributed.
- Developed the Rutherford Scholarship measure for school jurisdictions as part of the Accountability Pillar.
- Sought input and shared information about LearnAlberta.ca with stakeholders to increase awareness about LearnAlberta.ca at events throughout the year (including focus groups, stakeholder sessions, conferences, teacher and specialist council events, etc.).
- In partnership with Alberta Human Resources and Employment, upgraded the Alberta Learning Information Service (ALIS) website to provide timely, accurate and relevant information about the learning system.

- Posted the Alberta Apprenticeship and Industry Training Board 2002/2003 Annual Report on the Trade Secrets website.
- Number of visitors to the Students Finance and Scholarships & Bursaries sections of the Alberta Learning Information Service (ALIS) website increased by approximately 38% and 32% respectively.
- Led the development of strategies under the Raising Awareness About Planning for Post-secondary Studies initiative to promote the long-term benefits of post-secondary education and enhance knowledge of parents and learners about planning for post-secondary studies.
- Worked collaboratively with Alberta Home and School Councils' Association (AHSCA) to raise parental awareness about planning for post-secondary studies.
- Completed and distributed the Regional Profiles website to post-secondary institutions, making vital information on the province's regions such as student enrollment, population and demographics, available to institutions, the media and the general public.
- Conducted the first consolidated satisfaction and employment survey of post-secondary students.
- Worked with school jurisdictions, public post-secondary institutions, the Ministry of Finance and the Auditor General to discuss the impact of expanding the financial reporting entity to include school jurisdictions and public post-secondary institutions.
- Conducted a satisfaction survey of employers of learning system graduates, including high school, apprenticeship, diploma, certificate and degree graduates.
- Shared information with Albertans on new initiatives, programs and developments in the learning system through a variety of communication tools, including news releases, fact sheets and the department's website.

Strategy 3D: Develop long-term human resource capacity for the learning system and department.

- Developed 2003-06 Human Resources Plan with a focus on the goals of work-life balance, leadership development and continuity and continuous learning.
- Implemented the use of the Operational Plan Database System (OPDS) to link individual performance plans with Operational Plans.

Endnotes for Results Analysis

Endnote A: Notes on Surveys

Public/Client Surveys

Alberta Learning regularly commissions telephone surveys of random samples of the Alberta public and key client groups. The purpose of these surveys is to obtain perceptions of how the learning system is performing in meeting learners' and society's needs and expectations. Professional survey research firms are contracted to conduct the surveys for Alberta Learning, using trained interviewers and the Computer-Assisted Telephone Interviewing (CATI) system. Survey results are compiled by the survey research firms and provided to Alberta Learning.

The following table provides sampling information about the surveys of Albertans conducted for Alberta Learning in recent years that are reported in this 2003/04 Annual Report. The information includes the respondent groups surveyed, corresponding sample sizes and the confidence intervals for results from each survey. Results are considered accurate within the confidence interval 19 times out of 20 (i.e., at a confidence level of 95%). Sampling variation can account for observed differences in results from year to year.

Alberta Learning Public/Client Surveys: Sample Sizes and Confidence Intervals

Survey		1999/00	2000/01	2001/02	2002/03	2003/04
Public (re ECS – 12 system)[1]	Sample	2,008	2,154	1,171	2,012	2,003
	Confidence interval	±2.2%	±2.2%	±2.9%	±2.2%	±2.2%
Public (re the adult learning system)[1]	Sample	3,000	3,001	1,171	3,109	3,000
	Confidence interval	±1.8%	±1.8%	±2.9%	±1.8%	±1.8%
- Adult Learners[2]	Sample	992	998	420	1,103	1,000
	Confidence interval	±3.2%	±3.1%	±4.8%	±2.9%	±3.1%
- Adults not participating in learning[2]	Sample	2,008	2,003	751	2,006	2,000
	Confidence interval	±2.2%	±2.2%	±3.6%	±2.2%	±2.2%
Graduates of Apprenticeship Programs[3]	Sample	--	2,948	--	3,221	--
	Confidence interval	--	±1.8%	--	±1.7 %	--
Employers	Sample		--	2,003	--	2,000
	Confidence interval	N/A[4]	--	±2.2%	--	±2.2%

Notes:

1. In 1999/2000 and subsequent years Alberta Learning commissioned a survey of the public that captured opinions on both the ECS – 12 and adult learning systems. The general public was over sampled in all years except 2001/02, increasing the number of respondents providing opinions to obtain the desired sample quotas of adult learners (1,000) and adults who had not taken any education or training (2,000). The sample size was smaller in 2001/02 because of the teachers' labour action.
2. Adult learners are a subset of the public. Adult learners are defined as adult Albertans who have participated in a credit or non-credit course in Alberta in the last 12 months prior to the survey. Adults not participating in learning are those adult Albertans who have not participated in a credit or non-credit course in the past 12 months. Measures of public satisfaction with the adult learning system in this report (pages 21, 34 and 36) are the weighted average satisfaction levels of adult learners and adults not participating in learning.
3. The confidence intervals for the apprenticeship graduate surveys are small compared to those for the survey of the public re the adult learning system as they are drawn from relatively small populations (i.e., the pool of apprenticeship graduates – just over 4,000 each year) while the public survey re the adult learning system is drawn from a large population (i.e., adult Albertans – more than 2 million people).
4. Although the employer survey was conducted in 1999/2000, the sample size and confidence interval are not applicable, as the question reported was added to the survey starting in 2001/02. In 2001/02, 797 of the 2,003 employers responding had hired recent graduates, and in 2003/04, 760 of the 2,000 employers responding had hired recent graduates.

The survey instruments for these surveys use four-point response scales ("Very satisfied/Satisfied/ Dissatisfied/Very dissatisfied" or "Strongly Agree/ Agree/ Disagree/ Strongly Disagree"), depending on the question. Although not asked, "Don't Know" responses and refusals are recorded as well. Results presented are the combined percentages of respondents who were "very satisfied/satisfied" or who "strongly agreed/agreed".

The public/adult learner survey is conducted every year. The surveys of employers and of apprenticeship graduates are conducted every other year. The survey results are available online at www.learning.gov.ab.ca/department/satisfaction/EmployerSurveyReport.pdf. Apprenticeship graduates are surveyed between six and eighteen months after completing their program. For information on the results of the apprenticeship graduates survey, contact the Apprenticeship and Industry Training Division at 427-8768.

Alberta Learning Surveys of Partners and Stakeholders
Each year, Alberta Learning commissions telephone surveys of partners and stakeholders. For the purpose of these surveys, partners are representatives of other Alberta government ministries that have worked with Alberta Learning on specific projects during the last 12 months, and stakeholders are representatives of learning system organizations. Some of these organizations are specifically established by legislation, and all have as their mandate a broad and dedicated interest in the learning system.

These surveys use a judgment sampling (a type of non-probability sampling method, for which confidence intervals are not applicable) and are conducted with partner and stakeholder representatives to obtain perceptions about their working relationships with Alberta Learning staff. The partner and stakeholder surveys capture all major projects in which partners in other ministries worked with Alberta Learning staff and all major stakeholder organizations that have an on-going relationship with the Ministry. Respondents are selected with broad input from senior Ministry staff. Stakeholder selection identifies individuals in senior positions in their organizations who have a broad understanding of the learning system and are in the best position to provide meaningful responses. Samples include representatives of the largest post-secondary institutions and school jurisdictions in the province because of their impact on significant numbers of learners. The table below indicates the number of partner and stakeholder representatives surveyed each year.

Partner and Stakeholder Surveys: Sample Sizes

Year	Partners	Stakeholders	Total
1999/00	38	14	52
2000/01	33	28	61
2001/02	35	28	63
2002/03	43	29	72
2003/04	42	40	82

From 1999/2000 to 2001/02, the survey instrument used five-point response scales with a neutral midpoint (e.g., Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree). Starting in 2002/03, four-point scales with no neutral midpoint were used, to be consistent with other Ministry surveys (e.g., Strongly Agree, Agree, Disagree, Strongly Disagree). The change from a five-point scale with a neutral midpoint to a four-point scale may have affected the results for 2002/03 and 2003/04 slightly. Results shown are the percentages of all respondents who "strongly agreed/agreed" to the survey question (i.e., the weighted average).

The small samples for these surveys may contribute to variation in survey results from year to year. To illustrate the effect of sample size, each respondent in a survey sample of 100 accounts for one percent (1.0%) of the overall result, whereas each respondent in a survey of 1,000 respondents accounts for only one-tenth of one percent (0.1%) of the overall result.

Post-secondary Graduates Survey

Surveys are conducted every other year of graduates of publicly funded post-secondary institutions two years after graduation. For the 2003/04 survey, 15,622 interviews were conducted with 2001/02 graduates from 25 Alberta post-secondary institutions. For smaller institutions, a census survey method, which attempts to obtain responses from all graduating students, was used. The larger institutions used a sampling method which was designed to achieve a confidence level of 95%. Response rates by sector for the 2003/04 survey are presented in the table below.

Response Rates for the 2003/04 Graduate Outcomes Survey

Survey	Universities	Colleges	Technical Institutes	Private University Colleges	System Total
2001/02 Graduates	53%	56%	54%	70%	55%

Note: The targeted number of responses was set to achieve a 95% confidence level, by institution, with a ± 5% confidence interval (or better). The targeted number of responses, by field of study, were set to achieve a 95% confidence level, with a ± 5% confidence interval (or better), for each field of study across each of the following types of institutions: all universities combined, all university colleges combined, all colleges combined, all technical institutes combined.

The 2003/04 survey used a five-point scale (fully satisfied, somewhat satisfied, neutral, somewhat dissatisfied, and very dissatisfied categories). Satisfaction levels reported are the combined percentages of respondents who were "fully satisfied" or "somewhat satisfied." "No Responses" were excluded. The survey instrument is from the Graduate Outcomes Survey, conducted between January and April of 2004 by an independent third-party contractor, on 2001/02 graduates of publicly funded post-secondary institutions. The question set used is in the *Key Performance Indicators Reporting Manual for Alberta's Post-Secondary Institutions*, available online at www.aecd.gov.ab.ca/software/.

In 2003/04, only graduates of parchment programs (i.e., certificate, diploma and degree programs) were surveyed on the new combined satisfaction and employment survey, and the survey was administered two years after the graduation year (2001/02). Previous graduate satisfaction surveys (on 1998/99 and 2000/01 graduates) were exit surveys, conducted at the time of graduation, and included graduates of preparatory and basic upgrading programs as well as graduates of parchment programs. These were excluded as the new survey focuses on outcomes of graduates of post-secondary-level programs. Another significant difference was that the 2003/04 survey was coordinated by Alberta Learning to ensure consistent implementation of the survey among all participating post-secondary institutions, using a common survey method and timeframe. In previous graduate survey administrations, the colleges and technical institutes conducted their own surveys and reported the results to Alberta Learning through the Key Performance Indicator Reporting System (KPIRS), while the surveys of university graduates were centrally coordinated. The results of the previous surveys were reported in Alberta Learning's Annual Report (see Alberta Learning's 2002/03 Annual Report) a year after the survey was conducted, while the results of the 2003/04 survey were available to Alberta Leaning to report in the year in which it was conducted. As a consequence of these major changes in survey methodology, results of the 2003/04 survey are not comparable to results of previous surveys.

Use of Confidence Intervals for Results of Surveys in Alberta Learning's Annual Report

When a result is obtained by surveying a random sample of the target population (e.g., the public, adult learners, apprenticeship graduates, employees), there is a confidence interval associated with the result, which is expressed as a percentage above and below the obtained result. A confidence interval indicates how much variation one might expect from the obtained survey result, as a consequence of sampling and diversity among respondents. Difference in survey results over time or among respondent groups on the same survey question are reported at the ".05 level of confidence" (i.e., the same results would be obtained in repeated surveys 19 times out of 20). Alberta Learning uses confidence intervals to determine:

- whether differences in survey results over time are likely the result of sampling variations, or represent actual change; and
- whether differences among respondent groups to the same question are likely the result of sampling variations or represent actual differences.

When comparing results of survey questions over time or among respondent groups, there is an actual difference between two survey results, 19 times out of 20, if there is no overlap between the confidence intervals of the two observed values. When this is the case, it is acknowledged in the related text that there is an increase, change, or significant difference in survey results over time or among groups. When the confidence intervals of the two observed values do overlap, the observed difference will be due to sampling variation 19 times out of 20, and we cannot conclude that the difference is real (i.e., "significant"). In such cases, the related text indicates that results are similar or stable over time or among groups.

The following hypothetical examples illustrate:

a) two survey results where the confidence intervals overlap and, consequently, it is concluded that there is no real difference between the two survey results, and

b) two survey results where the confidence intervals do not overlap and, consequently, it is concluded that there is a real difference between the two survey results.

a) Where two survey results are 76% and 80%, both with a confidence interval of 2.5%, then the upper limit of the confidence interval for the "76%" result is 78.5%, and the lower limit of the confidence interval of the "80%" result is 77.5%. Since the confidence intervals "overlap", it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.

b) If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the "74%" result is 76.5%, and the lower limit of the confidence interval of the "80%" result is 77.5%. Since the confidence intervals "do not overlap," it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference. In such cases, the related text indicates that there is a significant difference over time (i.e., an increase or decrease) or between groups.

Endnote B: Technical Note on Assessing Results and Targets and on Use of Trend Lines

Assessing Results Over Time

Changes in results are assessed over time in the discussion of each measure. A change (increase or decrease) is considered slight if it differs 1-2 percentage points from results of the comparison year(s). As the confidence interval is taken into account in assessing results on survey measures that use a probability sampling method (see Endnote A), the change is considered slight for those measures when the result is 1-2 percentage points different from the comparison year(s) above or below the confidence interval.

Assessing Targets

Performance targets set expectations for results and are the basis for planning improvements and assessing results. They are an important way to gauge whether the organization is improving or falling behind in obtaining desired results in key areas. Targets clearly establish desired levels of performance to be attained by a certain time. Targets are quantifiable and expressed in numerical terms, such as percentages or ratios. They are used as a key tool to drive, measure, improve and control performance.

Performance on a measure is considered to have met the target if the result is at or above 95% of the target value. For example, if the result is 77% on a measure with a target of 80%, then the target has been met since the performance (77%) represents 96.3% of the target. As another example, if the result on the same measure is 75%, then the target has not been met since 75% represents only 93.8% of the target.

This method of assessing performance represents a high level of achievement in relation to the target, i.e., clearing a hurdle. The 95% rule acknowledges the variability in data as well as the complexities of the learning system. In such an environment, targets are general objectives rather than specific values, and achieving 95% of the target value indicates results are "in the ball park."

The 95% rule is not used to assess achievement of targets for provincial achievement tests, which are administered to students in Grades 3, 6 and 9. It does not apply to the results for students who wrote as that set of results represents the achievement of the students who took the test and there is negligible variability. The rule also does not apply to the results for all students in grade as those results are the minimum possible and under-represent the true results for the population had all students in the grade taken the test. Instead, as a difference of four-tenths of a percentage point (0.4%) is considered significant for these results, targets are considered met if the result is within four-tenths of a percentage point (0.4%) of the target.

Trend Lines

Trend lines are an aid to interpreting the results for measures reported in the Annual Report. Trend lines augment data interpretation techniques already in use such as the calculation of confidence intervals, which is used to determine the significance of a change between two survey results (either over time, or among groups). Trend lines provide a useful method of understanding the year-to-year fluctuations over the longer term, since most measures have data spanning three or more years. Trend lines shift the focus from smaller year-to-year changes to providing information about the longer-term direction of the data and whether or not it is tracking towards the performance target for the measures with targets.

Comments in the text on results with at least three data points are supported by trend lines. The type of trend line used is selected based on an informed interpretation of the data series underlying the trend line.

Logarithmic trend lines are appropriate for proportional data (i.e., data expressed as percentages of a whole, and therefore ranging between 0% and 100%), such as the performance measures in this report. A logarithmic trend line is a best-fit straight line that is most useful when the rate of change in the data increases or decreases quickly, then levels out. The leveling out can be seen in the results for some measures in the report, along with examples of year-to-year increases or decreases on other measures.

A logarithmic trend line is calculated using the following formula:

$Y = c\ln x + b$ where c and b are constants, and n is the natural logarithm function.

Endnote C: Methodology for Performance Measures

Provincial Achievement Tests
Students in Grades 3, 6 and 9 write provincial achievement tests annually in language arts and mathematics while Grade 6 and 9 students also write tests in science and social studies. The achievement test results for Grades 3, 6 and 9 provide information on how well students are meeting provincial standards in the core academic subjects. Tests are developed and administered by educators and are based on expectations in the provincial curriculum. Results are reported in relation to the acceptable standard and the standard of excellence. A student achieving the acceptable standard in a specific grade shows an adequate understanding of the core knowledge and adequate basic skills essential to that course. A student achieving the standard of excellence consistently shows a deeper understanding of the concepts of the course – an ability to integrate information and evaluate it from various points of view. For each achievement test, the cut scores for the acceptable standard and the standard of excellence are set initially by a standard-setting committee of about 20 teachers using the Modified Angoff Standard Setting Procedure. This procedure uses teachers' judgment to determine how many items a student must answer correctly to achieve each standard. In subsequent years, the cut scores for each test are adjusted through test equating. This ensures that the standards remain constant even if test difficulty varies slightly from year to year. Whenever curriculum is revised, the standard-setting process is done again.

Given the large number of students in each grade, approximately 40,000, differences in results from year to year of more than 0.4 percentage points on each test are considered significant. Results on provincial achievement tests are calculated and presented in two ways:

- on the basis of student writing the achievement tests in Grades 3, 6 and 9 who achieved the standards; and
- on the basis of total enrolment in each grade who demonstrated the standards.

Not all students write the provincial achievement tests. Achievement test results are not available for students who were absent, who were excused from writing by the superintendent (because participation would be harmful to the student, or the student could not respond to the test instrument), who wrote but whose results were withheld, or who wrote only one part of a language arts test. It is possible that some of these students, under different circumstances, could have demonstrated achievement of standards on the test. Participation rates are calculated by dividing the number of students who wrote the test by the sum of total enrolment in grade plus the ungraded students who are in the corresponding year of schooling.

Provincial combined results present the unweighted averages based on percentages achieving standards as the populations are relatively stable from year to year and grade to grade. Test results and participation are recorded and aggregated in Ministry systems. Provincial, school authority and school results *(Achievement Test Multi-Year Reports 2000-2004)*, are available on Alberta Learning's website at: www.learning.gov.ab.ca/k_12/testing/default.asp.

Diploma Examinations
Examinations are administered in all diploma examination courses in January, June and August each year. Examinations are administered in three courses in both November and April, for a total of six courses. Results on diploma examinations show how well students are meeting provincial expectations as outlined in the Programs of Study. Examination items are developed and cut scores established by committees of teachers. The examination design is vetted through committees of stakeholders, and by a standard-setting committee of teachers.

In order to maintain consistent examination standards over time, a test equating initiative is being phased in for the Diploma Examination Program. Starting in the 2003/04 school year with Social Studies 30 and 33, the multiple-choice portion of the examinations contains a set of items common to administrations in subsequent years. By comparing the achievement of students writing in January 2004 with those writing in any subsequent administration on the common items, Alberta Learning is able to determine whether or not the examinations were of equal difficulty. Student scores on the subsequent examinations can then be equated back to the January 2004 baseline examinations to remove any influence that differences in examination difficulty may have on student scores. Through equating, all students, regardless of which examination they have written, receive multiple-choice test scores that are based on an identical standard and, consequently, the test results can be directly compared over time.

Diploma examination results are reported in relation to the acceptable standard and the standard of excellence. A student achieving the acceptable standard demonstrates that s/he has met the basic requirements of the course. A mark of 50 per cent on the examination represents the acceptable standard in a diploma examination course. A mark of 80 per cent on the examination represents the standard of excellence and indicates that the student has demonstrated performance significantly beyond the minimum requirements of the course.

For student marks in diploma examination courses, the diploma examination mark is worth 50 per cent of the final mark in a course and the school-awarded mark contributes the other 50 per cent.

The table "Percentages of Grade 12 Students Completing Diploma Examination Courses in their Third Year of High School" reports the percentage of Grade 12 students who received a final mark in each diploma examination course for the last five years. This information is an indicator of participation, as the course enrolment is representative of the group of students who typically take the course. The proportion of Grade 12 students completing diploma examination courses varies from year to year and from school to school depending on course enrolments and student success in achieving course requirements.

Diploma examination results and participation in diploma examination courses are recorded and aggregated in Ministry systems. The provincial reports (*The Diploma Examination Multiyear Reports 2000-2004)* are available online at: www.learning.gov.ab.ca/k_12/testing/multipublic/dip/. These multi-year reports contain five years' of data extracted each year from live systems, which are updated regularly. As a result of the updating on line, the prior years' results in the multi-year reports may differ from prior years' results in the Annual Report.

High School Completion Rate

The high school completion rate reports the percentages of Alberta students who, within three, four, and five years of entering Grade 10:

- received a high school diploma, equivalency diploma (GED) or Integrated Occupational Program (IOP) certificate; or
- entered an Alberta post-secondary institution or an apprenticeship program; or
- earned credits in five Grade 12 courses, including one language arts diploma examination course and three other diploma examination courses.

The tracking of Grade 10 students excludes some groups of students, such as a few categories of severe special needs and students whose education is not the responsibility of the provincial government. Data for this measure are from Alberta Learning systems, adjusted for attrition using estimates from Statistics Canada's *Annual Demographic Statistics, 2003* (CD-ROM). A detailed description of the methodology and high school completion rates for Alberta school jurisdictions are available online at www.learning.gov.ab.ca/k_12/completion/.

Apprenticeship Completion Rate

The methodology used for arriving at the apprenticeship completion rate is based on tracking apprentices who have successfully completed all the work experience and formal training requirements for their first period of apprenticeship or who have received credit for prior learning or work experience for that year. These apprentices are tracked from the beginning of their second year, when significant public funds begin to be expended on their formal instruction, and are tracked for two years beyond the expected length of their trade program to determine completion. Only trade programs of at least two years in length are included since tracking begins in an apprentice's second year. Most trade programs are four years in length.

The *Apprenticeship and Industry Training Act* stipulates that no one can be employed in certain occupations without either being a journeyman or an apprentice. Since apprenticeship registration is often a condition of employment, individuals may register as apprentices even though they may not intend to complete their program. Tracking apprentices starts in their second year, which reduces the cohort in recognition of those who register as a condition of employment but do not intend to complete. Other factors may affect program completion times, such as apprentices being laid off work, choosing to delay their technical training at the request of employers or for personal reasons. Given these employment conditions and factors affecting completion, two additional years is considered to be a reasonable length of time for apprentices to complete their programs. For example, the majority of apprentices in four-year programs would be expected to complete their programs within six years.

Data are from the Skilled Trades Information System (STIS) maintained by the Apprenticeship and Industry Training Division of Alberta Learning.

Interim Post-secondary Completion Rate

The interim post-secondary completion rate is based on tracking first-year, full-time career and undergraduate students in parchment programs (i.e., certificate, diploma and bachelor degree programs) at public post-secondary institutions. Students are tracked for the program length (typically one year for certificate, two years for diploma and four years for degree programs) plus three years in the institution where they entered as a first-time, full-time student. Three additional years are provided to account for a variety of circumstances, such as change in program, discontinuous enrolment, cooperative programs (alternate periods of work and study) and reduced course loads. Data for these calculations are extracted from the Learner Enrolment Registration system when data for the previous academic year are complete. Students in graduate programs, university transfer programs and applied degree programs are excluded.

Interim post-secondary completion rates for institutions have been aggregated into two categories: university completion which tracks students in four-year undergraduate degree programs and college/technical institution completion which tracks students in certificate and diploma programs (usually up to two years of study). The university category includes Alberta College of Art & Design's programs, all of which are four-year undergraduate degree programs. Athabasca University is not included in the completion rate due to the lack of comparability between a distance-delivery institution and traditional campus-based universities. Also excluded from this interim completion rate are the private university colleges, as there is not yet sufficient information to generate a completion rate for these institutions.

This interim completion rate methodology is unable to track students who start at one institution but transfer to another institution. As a result, transfer students (both those who complete and those who do not) are counted as non-completers. Alberta Learning is currently implementing an Alberta Student Number (ASN) for post-secondary students that would allow for a more accurate calculation of completion rates within the post-secondary system, including tracking of transfer students.

Educational Attainment

The Labour Force Survey is a monthly Canada-wide survey of a representative sample of households. Data are collected about all members of the household who are 15 years of age or older. The high school and post-secondary completion rates for 25-34 year-olds are presented as they represent recent outputs of Alberta's learning system.

The Canadian sample size for the monthly Labour Force Survey has been approximately 54,000 households over the reporting period. Alberta's sample size corresponds to its share of the population. In 2003, between 5,375 and 5,507 Alberta households were surveyed each month (an average of 5,425 per month), with information provided on between 10,493 and 10,807 individuals per month (an average of 10,634 per month). Excluded from the Labour Force Survey are persons living on Indian reserves, inmates of prisons, and members of the military. As these groups (which represent about 2% of the population age 15+) typically have lower education levels than the total population, educational attainment rates based on Labour Force Survey data may be slightly higher than the rate would be for the total population age 15+.

The educational attainment rates presented are annual aggregates for the calendar year. The coefficient of variation, or CV, (the standard error as a percentage of the reported result) for the Labour Force Survey is 1.0% for both the Alberta and the Canadian data. Additional information on the Labour Force Survey methodology and interpreting CVs is available on pages 16-23 of *Guide to the Labour Force Survey*, Catalogue no. 71-543-GIE (Revised, February 2004), available on-line from Statistics Canada: www.statcan.ca.

Participation in Early Childhood Services (ECS) Programs

The participation rate in ECS programs is the percentage of all Alberta Grade 1 students in the current school year who had an Alberta ECS registration in any prior school year. The calculation is adjusted to account for Grade 1 students who entered Alberta from another province or country in the previous year, and thus would not have attended ECS in Alberta. In-migration data include the estimated number of immigrants and of interprovincial in-migrants aged five as of July 1st of the calendar year. The Grade 1 and ECS registration data are from the Corporate Data Warehouse maintained by Information Services, Alberta Learning and extracted in April each year. The in-migration data are from Statistics Canada, *Annual Demographic Statistics, 2003* (CD-ROM).

High School to Post-secondary Transition Rate

The High School to Post-secondary Transition Rate reports the percentages of Alberta students who, within four and six years of starting Grade 10:

- attended a credit program, part-time or full-time, in an Alberta post-secondary institution; or
- registered in an apprenticeship program other than the Registered Apprenticeship Program, which is a program for high school students.

The High School to Post-secondary Transition Rate includes adjustments for attrition and for attending post-secondary institutions out of province, based on estimates.

Students whose education is not the responsibility of the provincial government, as well as students who are identified as having cognitive disabilities or a severe multiple disability are not included in the High School to Post-secondary Transition Rate.

The sources of student data are Alberta Learning's Student Information System (SIS), Student Records System (SRS), Skilled Trades Information System (STIS), and the Alberta Council on Admissions and Transfer's Duplicate Application Detection System (DAD). The estimate of attrition uses data from Statistics Canada, *Annual Demographic Statistics*. The estimate of Alberta students attending post secondary institutions out-of-province uses aggregate student counts from Alberta Learning's Learner Enrolment Reporting System (LERS) and Students Finance System (SFS).

Employment Rates of Albertans 25-34 by Educational Attainment

Statistics Canada's Labour Force Survey is a monthly Canada-wide survey of a representative sample of households. Data are collected about all members of the household who are 15 years of age or older. Excluded from the Labour Force Survey are persons living on Indian reserves and inmates of prisons. As these groups, which represent less than 2% of the population age 15+, typically have lower employment levels than the total population, employment rates for 25-34 year-olds based on Labour Force Survey data may be slightly higher than the rate would be for the total population of Albertans aged 25-34.

The employment rates for 25-34 year-olds are presented as they represent recent outputs of Alberta's learning system. The employment rates are annual aggregates for the calendar year. The Canadian sample size for the monthly Labour Force Survey has been approximately 54,000 households over the reporting period. Alberta's sample size corresponds to its share of the population. In 2003, between 5,375 and 5,507 Alberta households were surveyed each month (an average of 5,425 per month), with information provided on between 10,493 and 10,807 individuals per month. Of these, about 1,550 – 1,600 individuals each month are age 25-34, or about 19,000 on an annual basis. The coefficient of variation (the standard error as a percentage of the reported result) is 1.0%. Additional information on the Labour Force Survey Methodology and interpreting CV's is available on pages 16-23 of the *Guide to Labour Force Survey*. Catalogue no. 71-543-GIE (Revised, February 2004), available online from Statistics Canada: www.statcan.ca.

STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS
FOR THE YEAR ENDED MARCH 31, 2004

The following statement has been prepared pursuant to Section 23 of the Financial Administration Act. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

		(in thousands)
Remissions under Section 21 of the Financial Administration Act:		
Total remissions	$	53,220
Compromises under Section 22 of the Financial Administration Act:		
Total compromises	$	44
Write-offs		
Implemented Guarantees, Indemnities, Loans and Advances Student Loan Act	$	238
Department Accounts Receivable		69
Total write-offs	$	307
Total remissions, compromises and write-offs	$	53,571

STATEMENT OF GUARANTEES AND INDEMNITIES
GIVEN BY THE CROWN AND PROVINCIAL CORPORATIONS
FOR THE YEAR ENDED MARCH 31, 2004

The following has been prepared pursuant to section 75 of the Financial Administration Act. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Learning under the Student Loan Act for the year ended March 31, 2004, the amounts paid as a result of liability under guarantees, and the amounts recovered on debts owing as a result of payments under guarantees.

	(in thousands)		
	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ -	$ 1,537	$ 1,423

10. Alphabetical List of Entities' Financial Information in Ministry 2003/04 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry, Department, Fund or Agency*
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board[2]	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development

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[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003

[2] Dissolved August 1, 2003

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY *cont'd.*

Ministry, Department, Fund or Agency	***Ministry, Department, Fund or Agency***
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[3]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[3]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[3]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[3]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[3]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[3]	Human Resources and Employment
Ministry of Infrastructure[3]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[3]	International and Intergovernmental Relations
Ministry of Justice[3]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[3]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General

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[3] Ministry included only the department so separate department financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY *cont'd.*

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[3]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	***Ministry Annual Report***
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan -Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

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[3] Ministry includes only the departments so separate department financial statements are not necessary.